

43rd ANNUAL REPORT 2016 - 17



TCI FINANCE LTD.

www.tcifl.in

BOARD OF DIRECTORS

Mr. Hemant Kaul- Chairman
Mr. Mahendra Agarwal
Mr. R.S. Agarwala
Mr. S.M. Jalan
Dr. D.R. Agarwal
Ms. Meera Madhusudan Singh

KEY MANAGERIAL PERSONNEL

Mr. Ramesh Sivaraman,
Manager
Ms. Lakshmi Sharma,
Company Secretary and
Compliance officer

BOARD COMMITTEES:**Audit**

Mr. S M Jalan-Chairman
Mr. R S Agarwala-Member
Mr. Hemant Kaul-Member

Nomination & Remuneration

Mr. S M Jalan - Chairman
Mr. Mahendra Agarwal-
Member
Mr. Hemant Kaul-Member

Stakeholders Relationship

Dr. D R Agarwal - Chairman
Mr. S M Jalan -Member

Corporate Social Responsibility

Ms. Meera Madhusudan Singh
- Chairperson
Mr. S M Jalan- Member
Dr. D R Agarwal- Member

AUDITORS

M/s. M Bhaskara Rao & Co
Chartered Accountants

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REGISTERED OFFICE

Plot no-20, Survey no-12, 4th
Floor, Kothaguda, Kondapur,
Hyderabad-500 084,
Tel: +91 40 71204284
Fax: +91 40 23112318
Email:investors_tcif@gati.com
CIN: L65910TG1973PLC031293

REGISTRAR & TRANSFER AGENTS

M/s Karvy Computershare
Pvt. Ltd.Karvy Selenium Tower
B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad – 500 032.
E-mail : mohsin.mohd@karvy.com
Tel : +91 040 6716 2222
Fax : 91 040 2300 1153

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 43rd Annual General Meeting (AGM) of the Members of TCI Finance Limited (the Company) will be held on Monday, the 14th day of August, 2017 at 11:00 am at Plot no.20, Survey no.12, Near Rainbow Children Hospital, Kothaguda, Kondapur, Hyderabad-500084 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt
 - a) The audited financial statements of the Company for the financial year ended March 31, 2017, the reports of the Board of Directors and Auditors thereon; and
 - b) The audited consolidated financial statements of the Company for the financial year ended March 31, 2017.
2. To appoint a Director in place of Ms. Meera Madhisudan Singh, (DIN: 00415866) who retires by rotation and being eligible, offers herself for re-appointment.
3. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of section 139 and other applicable provisions, if any of the Companies Act, 2013 and the rules framed there under, as amended from time to time, consent is accorded to ratify the re-appointment of M/s. M. Bhaskara Rao & Co., Chartered Accountants (Firm Registration No.000459 S) as Statutory Auditors of the Company, who was appointed at the 40th Annual General Meeting to hold office from the conclusion of 40th Annual General Meeting (AGM) till the conclusion of the 45th Annual General Meeting (AGM) of the Company to be held in the year 2019, at such remuneration as may be decided by the Board of Directors of the Company.”

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 198 and 203 read with Schedule V and other applicable rules prescribed there under and other applicable provisions, if any of Companies Act, 2013 and the relevant rules made thereunder (including any statutory modification or re-enactment thereof, for the time being in force) and all applicable guidelines issued by the Central Government from time to time and subject to such other approvals, as may be necessary and as recommended by Nomination and Remuneration Committee and the Board of Directors, the consent of the Shareholders be and is hereby accorded for the re-appointment of Mr. Ramesh Sivaraman as Manager of the Company with effect from July 1, 2017 for a period of 3 (Three) years on such terms and conditions as provided in the Statement under Section 102 of the Companies Act, 2013 for this item of business.

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as “the Board” which the term shall be deemed to include any committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution), be authorised, to alter and vary the terms and conditions of re-appointment and / or the aggregate of the remuneration and perquisites as aforesaid in any financial year shall not exceed the limit from time to time under Section 197, 198 and other applicable provisions of the Act and Rules made thereunder, read with Schedule V of the said Act or any statutory modification(s) or re-enactment thereof for the time being in force or otherwise as may be permissible at law and as agreed between the company and Mr. Ramesh Sivaraman from time to time.

RESOLVED FURTHER THAT where in any financial year, the Company has no profits or its profits are inadequate, the Company do pay to Mr. Ramesh Sivaraman, Manager of the Company, remuneration by way of salary, perquisites and allowances in accordance with the applicable provisions of Schedule V of the Act and subject to the approval of the Central Government, if required, as minimum remuneration.

RESOLVED FURTHER THAT any one of the Directors or Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds and things as may be necessary, proper or expedient to give effect to this resolution.”

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT in supersession of the earlier resolution passed by the Members in their meeting held on July 28, 2015, and pursuant to provisions of Section 180(1)(c) of the Companies Act, 2013, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow any sum or sums of money from time

TCI FINANCE LTD.

to time, on such terms and conditions and with or without security as the Board of Directors may deem fit from banks, financial institutions or any other kind of lenders notwithstanding that the money or money to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up share capital of the Company and its free reserves, that is to say, reserves not so set aside for any specific purposes, provided however that the total amount so borrowed and remaining outstanding at any particular time shall not exceed Rs.250 Crores.

RESOLVED FURTHER THAT any one of the Directors or Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds and things as may be necessary, proper or expedient to give effect to this resolution.”

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of section 180(1)(a) and other provisions, if any, of the Companies Act 2013, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to mortgage or charge all or any part of immovable or movable properties of the company, where so ever situated, both present and future, and whole or part of the undertakings of the Company of any nature and kind whatsoever and/ or creating a floating charge in all or any immovable properties of the company together with the powers to takeover the management of the business and concern of the company, in certain events, to or in favour of banks, financial institutions any other lenders to secure the amount borrowed/to be borrowed by the Company from time to time for the due payment of the principal monies together with the interest and other charges payable by the company in respect of such borrowings, provided however that the total amount so borrowed and remaining outstanding at any particular time which will be secured by such charge/mortgage shall not exceed Rs. 250 Crores.

RESOLVED FURTHER THAT any one of the Directors or Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds and things as may be necessary, proper or expedient to give effect to this resolution.”

**By Order of the Board
for TCI FINANCE LIMITED**

Lakshmi Sharma
Company Secretary
(MNo. A32617)

Hyderabad,
May 2, 2017

Registered Office:
Plot No.20, Survey No.12,
4th Floor, Kothaguda, Kondapur,
Hyderabad-84,
Tel: +91 040-7120 4284
Fax: +91 040-2311 2318

CIN: L65910TG1973PLC031293
Website: www.tcifl.in
Email: investors_tcif@gati.com

NOTES:

1. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Annual General Meeting is annexed hereto.
2. A member entitled to attend and vote at the Annual General Meeting (the “meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and the proxy need not be a member of the company. The instrument appointing the proxy should, however, be deposited at the registered office of the company not less than forty-eight hours before the commencement of the meeting.
A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. The instrument appointing the proxy, duly completed, must be deposited at the registered office of the company not less than forty-eight hours before the commencement of the meeting (on or before August 12, 2017, 11 a.m. IST). A proxy Form is annexed to this Report. Proxies submitted on behalf of Companies, Societies, etc., must be supported by an appropriate resolution / authority, as applicable.
4. Members are requested to bring their attendance slip along with their copy of Annual Report to the meeting. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
6. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice under Note No. 21. The Company will also send communication relating to e-voting which inter alia would contain details about User ID and password along with a copy of this Notice to the members, separately.
7. Additional information, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking re-appointment at the Annual General Meeting is furnished as annexure to the Notice.
8. The Register of Members and Share Transfer Books will remain closed from August 7, 2017 to August 14, 2017 (both days inclusive).
9. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
10. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management. Members may contact the Company or Registrar and Share Transfer Agent of the Company, for assistance in this regard.
11. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act 2013, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the meeting.
12.
 - a) The members who are holding shares in physical form are requested to intimate any change in their address with pin code immediately either to the Company or to the Registrar & Share Transfer Agent.
 - b) The members who are holding shares in demat form are requested to intimate any change in their address with pin code immediately to their Depository Participants.
13. Non-Resident Indian Members are requested to inform Karvy Computershare Private Limited, immediately of:
 - a) Change in their residential status on return to India for permanent settlement.
 - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
14. The Securities and Exchange Board of India (SEBI) vide circular ref no. MRD/DoP/CIR-05/2007 dated April 27, 2007, made PAN the sole identification number for all participants transacting in the securities market, irrespective of the amount of transaction. In continuation of the aforesaid circular, it is hereby clarified that for securities market

transactions and off market/private transactions involving transfer of shares of listed companies in physical form, it shall be mandatory for the transferee(s) to furnish a copy of their PAN card to the Company / RTAs for registration of such transfer of shares.

15. The Ministry of Corporate Affairs, Government of India (vide its circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' by allowing paperless compliances and recognizing delivery of Notices / Documents / Annual Reports, etc., to the shareholders through electronic medium. In view of the above the Company will send Notices / Documents / Annual Reports, etc., to the shareholders through email, wherever the email addresses are available; and through other modes of services where email addresses have not been registered. Accordingly, members are requested to support this initiative by registering their email addresses in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with the Company's Registrar and Transfer Agent, M/s. Karvy Computershare Pvt. Ltd.
16. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made there under, companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their email address either with the Company or with the Depository Participant(s). Members who have not registered their email address with the Company can now register the same by submitting a duly filled-in 'Shareholder Registration Form' available on the website of the Company www.tcifl.in to M/s. Karvy or secretarial department of the Company. Members holding shares in demat form are requested to register their email address with their Depository Participant(s) only. Members of the Company who have registered their email address are also entitled to receive such communication in physical form, upon request.
17. The shares of the Company are at present listed on the following Stock Exchanges viz., The Bombay Stock Exchange Limited, and National Stock Exchanges of India Limited. The listing fee for the year 2017-18 has been paid to the Stock Exchanges.
19. The Notice of the Meeting, Annual Report along with Attendance Slip and proxy form etc. are being sent in electronic mode to Members whose email address is registered with the Company or the Depository Participant(s), unless the Members have registered their request for the hard copy of the same. Physical copy of the Notice of the Meeting, Annual Report along with Attendance Slip and proxy form etc. are being sent to those Members who have not registered their email address with the Company or Depository Participant(s). Members who have received the Notice of the Meeting, Annual Report along with Attendance Slip and proxy form etc. in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the Registration Counter at the Meeting.
19. A Route Map showing direction to reach the venue of 43rd Annual General Meeting is given in the Annual Report as per the requirement of the Secretarial Standard – 2 on General Meeting.

20. Voting through electronic means

- a) In Compliance with provisions of Section 108 of Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide facility to the members to exercise their right to vote at the 43rd AGM by electronic means and the business shall be transacted through e-voting services provided by M/s Karvy Computershare Private Limited (Karvy).
- b) The e-voting facility will be available during the following period:
Commencement of e-voting: From 9.00 a.m. (IST) on Wednesday, August 9, 2017
End of e-voting: Up to 5.00 p.m. (IST) on Sunday, August 13, 2017
- c) The e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by Karvy upon expiry of aforesaid period.
- d) The company has appointed M/s dvm gopal & associates, Practicing Company Secretaries, Hyderabad as Scrutinizer for conducting the e-voting process and voting process at the meeting (including voting through Ballot Form) in a fair and transparent manner.
- e) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. August 7, 2017. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, only shall be entitled to vote.

- f) The login ID and password for e-voting is being sent to the members who have not registered their e-mail IDs with the Company / their respective Depository Participants along with physical copy of the Notice. Those members who have registered their e-mail IDs with the Company / their respective Depository Participants are being forwarded the login ID and password for e-voting by e-mail.
- g) The facility for voting through ballot / polling paper shall be made available at the Meeting, to all the members attending the Meeting, who have not opted evoting facility. Further, the members who have opted evoting facility may also attend the Meeting but shall not be entitled vote again. Kindly note that members can opt for only one form of voting i.e. either by Ballot Forms or through e-voting. If members are opting for e-voting then they should not vote by Ballot Forms and vice-versa.

However, in case members casting their vote both by e-voting and Ballot Forms, then voting done through e-voting shall prevail and voting done by Physical Ballot shall be treated as invalid.

- h) Any person who become members of the Company after despatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. August 7, 2017, may obtain the User ID and password for e-voting by sending email intimating DP ID and Client ID / Folio No. at evoting@karvy.com with a copy to investors_tcif@gati.com. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
- i) The Chairman shall, at the meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the help of scrutinizer, by use of 'Ballot Paper' for all those members, who are present at the meeting, but have not cast their vote by availing e-voting facility.
- j) The Scrutinizer, after scrutinising the votes cast at the meeting (Poll) and through e-voting, will, within stipulated time, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company i.e. www.tcifl.in and on the website of M/s Karvy i.e. www.karvy.com. The results shall simultaneously be communicated to the Stock Exchanges.
- k) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. August 14, 2017.

21. Instructions and other information relating to e-voting:

I. The instructions for e-voting are as under:

- i) Open your web browser during the voting period and navigate to <https://evoting.karvy.com>.
- ii) Enter the login credentials (i.e., user-id & password). Your folio / DP ID - Client ID will be your User ID.

| | |
|----------|---|
| User ID | For Members holding shares in demat form: i) For NSDL: 8-character DP ID followed by 8-digit Client ID For CDSL: 16-digit beneficiary ID ii) For Members holding shares in physical form: Event number, followed by Folio Number registered with the Company |
| Password | Your unique password is printed on the form / forwarded via email through the electronic notice |
| Captcha | Enter the verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons. |

- iii) After entering these details appropriately, click on 'LOGIN'.
- iv) Members holding shares in demat / physical form will now reach password change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password can be used by the demat holders for voting for resolution of any other company on which they are eligible to vote, provided that company opts for e-voting through M/s Karvy Computershare Private Limited e-voting platform. System will prompt you to change your password and update any contact details like mobile number, email ID etc., on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

TCI FINANCE LTD.

- v) You need to login again with the new credentials.
- vi) On successful login, the system will prompt to select the 'Event' i.e., 'Company Name'.
- vii) If you are holding shares in demat form and had logged on to <https://evoting.karvy.com> and cast your vote earlier for any company, then your existing login id and password are to be used.
- viii) On the voting page, you will see Resolution description and against the same the option 'FOR / AGAINST / ABSTAIN' for voting. Enter the number of shares (which represents number of votes) under 'FOR / AGAINST / ABSTAIN' or alternatively, you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR / AGAINST' taken together should not exceed your total shareholding. If you do not want to cast your vote, select 'ABSTAIN'.
- ix) After selecting the resolution you have decided to vote on, click on 'SUBMIT'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'OK', else to change your vote, click on 'CANCEL' and accordingly, modify your vote.
- x) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- xi) Corporate / Institutional Members (Corporate / FIs / FIIIs / Trusts / Mutual Funds / Banks, etc.) are required to send scan (PDF format) of the relevant Board resolution to the Scrutiniser through e-mail to dvmgopal@gmail.com with copy to investors_tcif@gati.com. The file scanned image of the Board resolution should be in the naming format 'Corporate Name_ Event number'.
- xii) If you are already registered with M/s Karvy Computershare Private Limited for e-voting, then you can use your existing user ID and password for casting your vote. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- xiii) Please contact Karvy Computershare Pvt. Ltd.'s toll-free number 1-800-34-54-001 for any further clarifications.
- xiv) In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) and 'e-voting user manual' available in the downloads section of the e-voting website of M/s. Karvy Computershare Private Limited <https://evoting.karvy.com>.
23. Details of the Director proposed to be re-appointed at the AGM Scheduled to be held on August 14, 2017, (Pursuant to Clause 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given below:

| Name of Director | Ms. Meera Madhusudan Singh |
|--|--|
| Resume, nature of expertise in specific functional area | Ms. Meera, is an industry professional and entrepreneur with over 25 years of experience in brand building, design, consumer experience, marketing and communications across a myriad of verticals with an extensive experience in the Indian and ASEAN industries. She is the only woman entrepreneur to have successfully contributed to commissioning the first hydro power project of 110 MW at Sikkim in North Eastern India. |
| Details of shares held in the Company as on 31.03.2017 | NIL |
| Listed Companies in which Directorships held as on 31.03.2017 | TCI Finance Limited |
| Chairman / Member of the Committees of Listed Companies in which he is a Director as on 31.03.2017 | Chairperson of Corporate Social Responsibility Committee of TCI Finance Ltd. |
| Relationship with other Directors | Not related to any of the Director |

24. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

The following Statement sets out all material facts relating to the Business mentioned in the accompanying Notice:

Item No. 4

The present term of office of Mr. Ramesh Sivaraman, Manager of the Company is due for expiry on 30.06.2017. The Board of Directors, subject to shareholders' approval, at the ensuing Annual General Meeting and/or subject to the approval of the central government have re-appointed Mr. Ramesh Sivaraman as Manager of the Company for a period of 3 years w.e.f 01.07.2017 their meeting held on 02.05.2017. The terms and condition as recommended by the Remuneration Committee read as follows:

Powers:

Subject to the superintendence, control and directions of the Board, the Manager shall exercise the managerial powers in general and specific powers as may from time to time be lawfully entrusted to and conferred upon you by the Board.

Remuneration Structure:

- ❖ Salary: Basic Rs 85,000 per month in the pay scale of Rs. 85000 -2500 - 100000 with the authority to the Board to sanction more than one increment in the scale in any year.
- ❖ House Rent Allowance: 50% of the Basic.
- ❖ Perquisites & other allowances shall not exceed Rs. 25 Lakh P.A
- ❖ Variable pay shall not exceed Rs. 20 Lakh P.A
- ❖ Use of company's car as per the rules of company.
- ❖ Leave Travel encashment: As per HR policy of the Company
- ❖ Group Medi-claim & personal accident insurance: As per HR policy of the Company
- ❖ Employer's contribution to Provident fund / superannuation fund: As per HR policy of the Company
- ❖ Gratuity: As per HR policy of the Company.
- ❖ Communication Budget (Telephone): As per HR policy of the Company

General terms and conditions – as per HR Policy:

The information is required to be disclosed as per clause (iii) of section II (B)(iv) of Schedule V of the Companies Act, 2013:

I. General information:

| | | | | | |
|-----|--|-------------------------------|--------------|--------------|--------------|
| I | Nature of Industry: | Non Banking Financial Company | | | |
| II | Date of commencement of Commercial Production: | 29.11.1973 | | | |
| III | Financial performance based on given indicators: (₹) | Particulars | 2017 | 2016 | 2015 |
| | | Paid up Share Capital | 12,87,24,930 | 12,87,24,930 | 12,87,24,930 |
| | | Income from Operations | 12,22,40,102 | 11,25,50,348 | 13,23,60,010 |
| | | Other Income | 1,87,14,063 | 20,80,525 | 49,07,007 |
| | | Profit after Tax | 3,60,40,447 | 1,98,14,557 | 6,77,93,898 |
| IV | Foreign investments or collaborations, if any: | Not applicable | | | |

II. General information:

Information about the appointee

| Background details and recognition: | Mr Ramesh Sivaraman is a Commerce Graduate and a member of the Institute of Chartered Accountants of India since 1991. He is the Manager-Chief Executive of TCI Finance Limited a listed Non banking Finance Company. He has experience of more than two decade in Non Banking Finance companies. He is also Director in TCI- Hi ways Private Limited and ITAG Infrastructure Limited. | | | | | | |
|--|---|-----------|------|------|-----------|-----------|-----------|
| Past Remuneration: | Last three(3) years remuneration as given below: | | | | | | |
| | Amt. in ₹ | | | | | | |
| | <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>2017</th> <th>2016</th> <th>2015</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">33,66,164</td> <td style="text-align: center;">37,40,576</td> <td style="text-align: center;">26,22,814</td> </tr> </tbody> </table> | 2017 | 2016 | 2015 | 33,66,164 | 37,40,576 | 26,22,814 |
| 2017 | 2016 | 2015 | | | | | |
| 33,66,164 | 37,40,576 | 26,22,814 | | | | | |
| Recognition or awards Job profile and his suitability: | The duties of the Manager shall be the overall supervision of the functioning of the Company, handling day to day affairs of the Company, appointment and termination of services of employees, operating bank accounts, signing cheques, promissory notes, bill of exchange, regularly reporting to the Board on the activities of the Company and to perform all other duties that the Board may delegate to the Manager. | | | | | | |
| Remuneration proposed: | Proposed remuneration was stated above. | | | | | | |
| Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person: | Keeping in view the current industrial standards and taking in consideration the business to be carried out by the Company, the profile of Mr. Ramesh Sivaraman and the responsibilities shouldered by him, the remuneration proposed is commensurate with the remuneration package paid to managerial personnel in other Companies. | | | | | | |
| Pecuniary relationship directly or indirectly with the Company: | Mr. Ramesh Sivaraman does not have any pecuniary relationship directly or indirectly with the Company except for the remuneration received by him as Manager-Chief Executive. | | | | | | |

III. Other information:

| | |
|---|---|
| Reasons of loss or inadequate profits: | During the year Company has recorded Profit after tax is Rs.360 lacs and subsidiary Company is also growing in profitability terms. |
| Steps taken for improvement: | Being a NBFC, it is expecting to invest and facilitate for borrowings |
| Expected increase in productivity and profits in measurable terms: | Company is loan Company and expecting increase in profitability in upcoming years. |

Your Directors recommend the resolutions as set out above for your approval.

Except Mr. Ramesh Sivaraman as Manager, none of the Directors, Key Managerial Persons or their relatives are in any way concerned or interested, financially or otherwise in the above resolution.

Item no 5 & 6

Keeping in view the Company's existing and future financial requirements to support its business operations, the Company needs additional funds. For this purpose, the Company is desirous of raising finance from various Banks and/or Financial Institutions and/or any other lending institutions and/or Bodies Corporate and/or such other persons/ individuals as may be considered fit, which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital and the free reserves of the Company. Hence it is proposed to increase the maximum borrowing limits upto Rs.250 crores (Rupees Two Hundred and Fifty Cores only).

In order to facilitate securing the borrowing made by the Company, it would be necessary to create charge on the assets or whole of the undertaking of the Company. Section 180(1)(a) of the Companies Act, 2013 provides for the power to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company subject to the approval of members in the general meeting.

The Board recommends these resolutions for the approval of the members as Special Resolutions.

None of the Directors, Managers or the Key Managerial Personnel of the Company including their relatives are in any way concerned or interested in the resolutions.

By Order of the Board
for **TCI FINANCE LIMITED**

Lakshmi Sharma
Company Secretary
(MNo. A32617)

Hyderabad,
May 2, 2017

Registered Office:
Plot No.20, Survey No.12,
4th Floor, Kothaguda, Kondapur,
Hyderabad-84,
Tel: +91 040-7120 4284
Fax: +91 040-2311 2318

CIN: L65910TG1973PLC031293

Website: www.tcifl.in

Email: investors_tcif@gati.com

DIRECTORS' REPORT

Dear Members,

Your directors take pleasure in presenting the 43rd Annual Report of the Company along with the Audited Accounts for the year ended March 31, 2017.

FINANCIAL HIGHLIGHTS

(Standalone)

(₹ in Lakhs)

| Particulars | STANDALONE | |
|--|-------------------------|-------------------------|
| | As at March 31, 2017 | As at March 31, 2016 |
| Income | 1409.54 | 1146.31 |
| Profit/(loss) before Interest, Depreciation & Taxation | 1285.09 | 1035.64 |
| Financial Charges | 855.57 | 803.92 |
| Depreciation | 2.77 | 2.91 |
| Profit/(Loss) before tax | 426.75 | 228.81 |
| Exceptional Items | – | – |
| Provision for tax: | | |
| Current Tax | 68.42 | 32.00 |
| Deferred Tax | (4.25) | (1.33) |
| Tax relating to earlier years | 2.18 | – |
| Profit/(Loss) after tax | 360.40 | 198.14 |
| Balance brought forward from previous year | 1917.91 | 1759.40 |
| Transferred to Reserve Fund | 72.08 | 39.63 |
| Balance Carried forward | 2206.23 | 1917.91 |

DIVIDEND

Your Directors have not recommended payment of dividend for the financial year ended March 31 2017 since it is proposed to retain the same in the business.

FIXED DEPOSITS

The Company has not accepted any deposits during the year under review and it continues to be a Non-deposit and Non Banking Financial Company in conformity with the guidelines of the Reserve Bank of India and Companies (Acceptance of Deposits) Rules, 1975.

OPERATIONAL PERFORMANCE REVIEW

During the year under review, your Company achieved a turnover of ₹ 1409.54 lakhs as against ₹ 1146.31 lakhs in the previous year. The profit before tax stands at ₹ 426.75 lakhs as against ₹ 228.81 lakhs in the previous year.

SUBSIDIARY (ITAG BUSINESS SOLUTION)

The wholly owned subsidiary of the Company M/s. ITAG Business Solutions Ltd. is into the core business of Knowledge Process Outsourcing (KPO) and the consolidated financials forms part of this annual report.

The turnover of the Subsidiary Company M/s. ITAG Business Solutions Ltd is ₹ 144.36 lakhs as against ₹ 142.71 lakhs in the previous year. Profit before tax stood at ₹ 4.14 lakhs as against loss of ₹ (4.76) lakhs in the previous year. A

statement pursuant to Section 129 of the Companies Act, 2013 related to the accounts of the subsidiary forms part of this Annual Report.

Policy for determining material subsidiaries of the Company is available on the website of the Company <http://www.tcifl.in/pdf/Policyonmaterialsubsidiaries.pdf>

RESERVE

As per section 45IC of RBI Act 1934, the Company has transferred ₹ 72.08 Lakhs to reserve fund i.e 20% of its net profit.

CONSOLIDATED FINANCIAL STATEMENTS (CFS)

In accordance with the Companies Act, 2013 (“the Act”) and Accounting Standard (AS)– 21, Consolidated Financial Statements is provided in the Annual Report. The CFS should therefore be read in conjunction with the directors' reports, financial notes, cash flow statements and the individual auditor reports of the subsidiary.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Section 152 of the Companies Act, 2013, Ms. Meera Madhusudan Singh retire by rotation and being eligible, has offered herself for re-appointment.

The brief profile of the director who is to be re-appointed form part of the notes and explanatory statement to the notice of the ensuing Annual General Meeting.

During the year under review there is no change in Key Managerial Personnel of the Company.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- i) **The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17, percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2016-17 are as under:**

| Non-Executive Directors (Refer Note-1) | Ratio to median remuneration | % increase in remuneration in the financial year |
|--|------------------------------|--|
| Mr. Hemant Kaul, Chairman | - | - |
| Mr. Mahendra Agarwal, Promoter & Director | - | - |
| Mr. R S Agarwala, Director | - | - |
| Mr. S M Jalan, Independent Director | - | - |
| Mr. D R Agarwal, Director | - | - |
| Ms. Meera Madhusudan Singh, Director | - | - |
| Executive Directors/ KMP | | |
| Mr. Ramesh Sivaraman-Manager-Chief Executive | 2.34:1 | 10% |
| Ms. Lakshmi Sharma, Company Secretary | 0.37:1 | 6% |

Note 1: The Company had paid only sitting fees to the Directors. Apart from sitting fees there is no other remuneration paid to the Non-Executive Directors. Therefore the ratio to median remuneration is negligible.

- ii) the percentage increase in the median remuneration of employees in the financial year: 9.5%
- iii) the number of permanent employees on the rolls of company: 4
- iv) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2016-17 was 10 % whereas the increase in the managerial remuneration for the same financial year was 10%.

TCI FINANCE LTD.

- v) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

The particulars of employees required under section 197(12) of the Companies Act, 2013 read with Rules 5 (2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not furnished as there is no employee in receipt of remuneration more than the prescribed limit.

As per ministry of corporate affairs notification no: G.S.R. 646(E) regarding amendment of the companies (Appointment and Remuneration of Managerial Personnel) in rule 5 sub rule (2), the statement containing particulars of top ten employees in terms of remuneration drawn as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is given below:

| a) Name of the employee; | Ramesh Sivaraman | Laxmi Narain kumawat | Dinesh Goud | Lakshmi Sharma |
|---|---------------------------------------|---------------------------|--------------|-----------------------------|
| b) Designation of the employee; | Manager- Chief Executive | Assistant General Manager | Manager | Company Secretary |
| c) Remuneration received; (₹ in lakhs) | 33.66 | 20.42 | 12.50 | 5.60 |
| d) Nature of employment, whether contractual or otherwise; | Permanent | Permanent | Permanent | Permanent |
| e) Qualification an experience of the employee; | CA | MCOM | LLM | CS |
| f) Date of commencement of employment; | 22-Oct-96 | 01-Sep-78 | 31-Mar-06 | 01-Dec-12 |
| g) Age of such employee; | 49 | 57 | 39 | 28 |
| h) Last employment held by such employee before joining the company; | Manager, Asia Pacific Investment Ltd. | Manager Gati Ltd. | Own Practice | Assistant Manager- Gati KWE |
| i) % of equity shares held by the employee in the company; | 0 | 0.07 | Nil | Nil |
| j) Whether any such employee is a relative of any director, and if so, name of such director or manager | No | No | No | No |

DECLARATION FROM INDEPENDENT DIRECTORS

The Company has received necessary declaration from Mr. Hemant Kaul and Mr. S M Jalan Independent Director of the Company under Section 149(7) of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149(6).

REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration.

The Remuneration Policy is stated in the Corporate Governance Report.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and other Committees. The manner in which the evaluation has been carried out has been explained hereunder.

The evaluations based on questionnaire was prepared which assessed the performance of the Board on select parameters related to roles, responsibilities and obligations of the Board and functioning of the Committees including assessing the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The evaluation criteria for the Directors were based on their participation, contribution and offering guidance to and understanding of the areas which are relevant to them in their capacity as members of the Board.

PARTICULARS OF LOANS, GUARANTEES and INVESTMENTS:

The company being a NBFC therefore section 186 of Companies Act, 2013 is exempted therefore details of Loans, Guarantees and Investments are given in the notes to the Financial Statement.

CORPORATE SOCIAL RESPONSIBILITY

During the year, your Company decided to install the solar panel 6 KWp (2 nos of 3 KWp) Solar PV plant at two Government School at Hyderabad as a part of its CSR activities. Further, your company proposed to spend Rs.9 lakhs for the aforesaid activity. The Company has placed order for installation of solar panel. The expenses would be accounted after the installation of the solar panel and on payment in FY 2017-18. Details of activity under CSR is given in **Annexure-A**.

RELATED PARTY TRANSACTION

The main business of the Company is financing activities and all loans granted to related party (if any) are in the ordinary course of business. All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Accordingly Form AOC-2 is not applicable to the Company.

All Related Party Transactions are placed before the Audit Committee as also the Board for approval. Transactions with related parties entered by the Company in the normal course of business are periodically placed before the Audit Committee for its approval.

Your Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act 2013, the Rules thereunder and the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015. This Policy was considered and approved by the Board has been uploaded on the website at: <http://www.tcifl.in/pdf/RelatedPartyTransactionPolicy.pdf>

MEETINGS

During the year Four Board Meetings and Four Audit Committee Meetings were convened and held. The details of the meeting along with the attendance of the director are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

Board Committees

Detailed composition of the mandatory Board committees namely Audit Committee, Nomination and Remuneration Committee, CSR Committee, Stakeholders Relationship Committee, number of meetings held during the year under review and other related details are set out in the Corporate Governance Report which forms a part of this Report.

There have been no situations where the Board has not accepted any recommendation of the Audit Committee.

VIGIL MECHANISM

The Company has Vigil Mechanism policy with a view to provide a mechanism for employees of the Company to approach the Ethics Counsellor / Chairman of the Audit Committee of the Company. The Vigil Mechanism Policy has been uploaded on the website of the Company at: <http://www.tcifl.in/pdf/VigilMechanismPolicy.pdf>. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

Pursuant to SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 the Company shall familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes.

Accordingly, the Company has arranged a technical session on February 7, 2017 to familiarize the Independent Directors about their roles, responsibilities and duties as Independent Directors. The details of the familiarization programme has been disclosed on the website of the Company at: <http://www.tcifl.in/pdf/ProgrammesforIDs07022017.pdf>

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 (5) of the Companies Act, 2013 your Directors' confirm the following:

- ❖ that in the preparation of the Annual Accounts for the year ended March 31, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ❖ that the directors have selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the Company for that period.
- ❖ that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- ❖ that the directors have prepared the annual accounts on a 'going concern' basis.
- ❖ that the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- ❖ that the systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

ACCOUNTS OF SUBSIDIARY

Copies of these annual accounts and related information will be made available on the Company's website at www.tcifl.in and also on request. The annual accounts of the subsidiary company will be made available at the registered office of the company and also at the venue during the Annual General Meeting.

LISTING

The Company's shares are traded in the dematerialized form with nation-wide terminals on both Bombay Stock Exchange and National Stock Exchange. The particulars of Shareholding Pattern, Distribution of Shareholding and Share prices are mentioned separately in the Report on Corporate Governance.

Internal Financial Controls

Your Company has established and maintained a framework of internal financial controls and compliance systems. Based on the same and the work performed by the internal auditors, statutory auditors and external agencies and the reviews performed by management team and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's Internal Financial Controls were adequate and effective during the financial year 2016-17.

The Board of Directors, to the best of their knowledge and ability, confirm that:

Your Company has laid down internal financial controls to be followed and that such internal financial controls are adequate and were generally operating effectively; and

Your Company has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

AUDITORS

a) Statutory Auditors

The Statutory Auditors of the Company M/s. Bhaskara Rao & Co, Chartered Accountants, Hyderabad hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received letter to the effect that the re-appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment. As required under SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

Pursuant to Companies Act, 2013, the Company has appointed the statutory auditors to hold office from the conclusion of the 40th Annual General Meeting till the conclusion of the 45th Annual General Meeting, subject to ratification at the every Annual General Meeting of the Company.

During the year under review there is no qualifications/observations raised by the auditors.

b) Secretarial Audit

In Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. dvm gopal & associates, a firm of Practicing Company Secretaries to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is annexed as **Annexure – B**.

Pursuant to the observation of the secretarial auditor in his report, the Company is in the process of selection and appointment of CFO.

EXTRACT OF ANNUAL RETURN

The details forming part of Annual Return in form MGT-9 is annexed as **Annexure-C**

CORPORATE GOVERNANCE

The Company has complied with the provisions pertaining to Corporate Governance as per the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 requirements of the Stock Exchanges and necessary disclosures have been made in this regard in the Report on Corporate Governance is annexed as **Annexure-D** along with a certificate from a Practicing Company Secretary confirming compliance of the same.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO:

As the Company is not engaged in the manufacturing activity, the prescribed information regarding compliance of rules relating to conservation of Energy and Technology absorption pursuant to Section 134 (3) (m) of the Companies Act, 2013, read with Rule – 8 (3) of the Companies (Accounts) Rules, 2014 is not provided.

The Company does not have any Foreign Exchange Earnings and outgo in the year under review.

MANAGEMENT DISCUSSION AND ANALYSIS (MDA)

MDA is provided as a separate section in the annual report.

GENERAL

- i. During the year under review there is no change in nature of business.
- ii. There is no material changes and commitment affecting the financial position of the Company between the end of financial year and the date of the report.
- iii. During the under review no significant or material orders were passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future
- iv. During the year under review there were no cases filed pursuant to the sexual Harassment of women at workplace (prevention, Prohibition and Redressal)Act, 2013

TCI FINANCE LTD.
ACKNOWLEDGEMENT

Your Directors wish to express their sincere appreciation for the support and cooperation, which the Company continues to receive from its clients, Banks, Government Authorities, Financial Institutions and associates and are grateful to the shareholders for their continued support to the Company. Your Directors place on record their appreciation for the contributions made and the efforts put in by the management team and employees of the Company at all levels.

By **Order of the Board**
For **TCI FINANCE LIMITED**

Hemant Kaul
Chairman
DIN: 00551528

Hyderabad
May 2, 2017

Annexure – A
ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FY 2016-17
CSR POLICY

| | |
|--|---|
| 1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs. | <p>CSR is the process by which an organization thinks about and evolves its relationships with stakeholders for the common good, and demonstrates its commitment in this regard by adoption of appropriate business processes and strategies. Thus CSR is not charity or mere donations. The main objective of this CSR Policy is to lay down guidelines and also make CSR as one of the key business drivers for sustainable development of the environment and the society in which TCIF operates in particular and the overall development of the global community at large.</p> <p>The Corporate Social Responsibility (CSR) Policy of the Company, as approved by the Board of the Directors, is available on the Company's website at www.tcifl.in.</p> |
| 2. The Composition of the CSR Committee | <ol style="list-style-type: none"> 1. Ms. Meera Madhusudan Singh, Chairperson 2. Mr. S M Jalan 3. Dr. D R Agarwal |
| 3. Average net profit/ loss of the Company for last three financial years. | ₹ 488.67 Lakhs |
| 4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above) | ₹ 9.77 Lakhs |
| 5. Details of CSR spent during the financial year 2016-17: a. Total amount to be spent for the financial year 2016-17 b. Amount unspent, if any | <p>₹ 9.77 Lakhs</p> <p>₹ 9.77 lakhs (Refer director's report)</p> |

c. Manner in which the amount spent during the financial year is detailed below.

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|---------|--|--|---|---|---|---|---|
| Sl. No. | CSR project or activity Identified | Sector in which the Project is covered | Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken | Amount outlay (budget) project or programs wise | Amount spent on the projects or Programs Subheads: (1) Direct expenditure on projects or Programs. (2) Overheads: | Cumulative expenditure upto to the reporting period | Amount spent: Direct or through implementing agency |
| 1. | Installation of solar panel at School located at Hyderabad | Promoting education | Hyderabad | ₹ 9.00 Lakhs | Nil | ₹ 10.85 Lakhs | Direct spend |
| 2. | Providing desk and benches at Government School located at Hyderabad | Promoting education | Hyderabad | ₹ 8.00 Lakhs | Nil | ₹ 2.85 Lakhs | Direct spend |

* Activities identified in sl no-1 is related to FY 2016-17, for details refer Director's report.

*Activities identified in sl no-2 is related to FY 2015-16, expenses incurred and accounted in the FY 2016-17.

S M Jalan
 Director
 DIN:00324182

Meera Madhusudan Singh
 Chairperson of Committee
 DIN:00415866

Ramesh Sivaraman
 Manager-Chief Executive

Annexure – B
SECRETARIAL AUDIT REPORT
For The Financial Year Ended 31st March 2017

FORM NO MR 3

Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

To
The Members of,
M/s. TCI Finance Limited
Hyderabad.

We have conducted Secretarial Audit pursuant to Section 204 of the Companies Act 2013, on the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. **TCI Finance Limited** (hereinafter called as “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minutes books, forms, returns filed and other records maintained by the Company and also the information and according to the examinations carried out by us and explanations furnished and representations made to us by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has during the audit period covering the Financial Year ended on 31st March 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2017 (“Audit Period”) according to the provisions of:
 - 1.1. The Companies Act, 1956 (to the extent applicable) and the Companies Act, 2013 (the Act) and the Rules made thereunder;
 - 1.2. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the Rules made thereunder;
 - 1.3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - 1.4. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’): -
 - 1.4.1. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - 1.4.2. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - 1.4.3. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - 1.4.4. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015..
 - 1.5. The Secretarial Standards on the Meetings of the Board of Directors, Committees and General Meetings issued by the Institute of Company Secretaries of India.
2. We report that during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards thereunder, except appointment of CFO under Section 203 of the Companies Act, 2013.
3. The Company is a “loan company” engaged in the business of Non-Banking Financial Institution as defined in Section 45 I (a) of the Reserve Bank of India Act, 1934. Accordingly, Non-Banking Financial (Non - Deposit

Accepting or Holding) Companies Prudential Norms shall be considered as Industry Specific Act as applicable to the Company, in view of the Management and as per the Guidance Note issued by the ICSI.

4. We further report that:
 - 4.1 The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Women Director. There were no changes in the composition of the Board of Directors during the period under review.
 - 4.2 Adequate Notice along with agenda and detailed notes on agenda is given to all the Directors electronically to schedule the Board Meetings.
 - 4.3 There exists a system for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.
 - 4.4 Decisions at the meetings of the Board of Directors and Committees of the Board of the Company were taken unanimously. It is to be noted that for the Audit Period the following acts are not applicable:
 - i. SEBI (Issue and Listing of Debt Securities) Regulations, 2008.
 - ii. SEBI (Delisting of Equity Shares) Regulations, 2009.
 - iii. SEBI (Buyback of Securities) Regulations, 1998.
 - iv. SEBI (Issue of capital and disclosure requirements) Regulations, 2009
 - v. SEBI (Share Based Employee Benefits) Regulations, 2014
 - vi. Foreign Exchange Management Act, 1999 and the rules and regulations made there under;
 - 4.5 There exist adequate systems and processes in the Company that commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
5. We further report that during the audit period, there were no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For **dvm gopal & associates**
Company Secretaries

Place: Hyderabad
Date : May 2, 2017

dvm gopal
Proprietor
M No: F6280
CP No: 6798

Note: This letter is to be read with our letter of even date, which is annexed, and form an integral part of this report.

ANNEXURE

To
The Members,
M/s. TCI Finance Limited
Hyderabad.

Our Report of even date is to be read along with this letter

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management. Our examination was limited to the verification of procedures.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For dvmgopal & associates
Company Secretaries

Place: Hyderabad
Date: May 2, 2017

dvm gopal
Proprietor
M No: F 6280
CP No: 6798

Annexure – C

Form No. MGT-9

EXTRACT OF ANNUAL RETURN**As on the financial year ended March 31, 2017**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

- i) CIN : L65910TG1973PLC031293
- ii) Registration Date : November 29, 1973
- iii) Name of the Company : TCI Finance Limited
- iv) Category / Sub-Category of the Company : Company having share capital,
Indian Non Government Company
- v) Address of the Registered Office and Contact details : Plot no. 20, Sy. 12, 4th Floor, Kothaguda, Kondapur,
Hyderabad - 500 084. Tel. No. 040-71204284,
Fax:040- 23112318, Email: investors_tcif@gati.com
Web: www.tcifl.in
- vi) Whether listed Company : Yes,
a) BSE Limited &
b) National Stock Exchange of India Limited
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : Karvy Computershare Private Limited
Karvy Selenium Tower B Plot 31-32, Gachibowli
Financial District, Nanakramguda, Hyderabad – 32.
Tel No: 040 6716 2222,
Email:mohsin.mohd@karvycomputershare.com

II. PRINCIPLE BUSINESS ACTIVITY OF THE COMPANY

| S.No. | Name and Description of main products / services | NIC Code of the product / service | % to total turnover of the Company |
|-------|--|-----------------------------------|------------------------------------|
| 1) | Non Banking Financial Activity | 0807 | 100% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| S.No. | Name and Address of the Company | CIN / GLN | Holding / Subsidiary / Associate | % of Shares | Applicable Section |
|-------|---------------------------------|-----------------------|----------------------------------|-------------|--------------------|
| 1) | ITAG Business Solution Ltd. | U74140TG2007PLC053476 | Subsidiary | 100% | 2 (87) |

IV. SHARE HOLDING PATTERN (Equity share Capital breakup as percentage of Total Equity)

i) Category-wise shareholding

| Category of Shareholders | No. of shares held at the beginning of the year(March 31, 2016) | | | | No. of shares held at the end of the year (March 31, 2017) | | | | % Change during the year |
|--|---|----------|----------------|-------------------|--|----------|----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of total shares | Demat | Physical | Total | % of total shares | |
| A Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual / HUF | 1621634 | - | 1621634 | 12.60 | 436634 | - | 436634 | 3.39 | (9.21) |
| b) Central Govt | - | - | - | - | - | - | - | - | - |
| c) State Govt | - | - | - | - | - | - | - | - | - |
| d) Bodies Corporate | 3191904 | - | 3191904 | 24.80 | 2009904 | - | 2009904 | 15.61 | (9.18) |
| e) Banks / FI | - | - | - | - | - | - | - | - | - |
| f) Any Other (Trusts) | 550006 | - | 550006 | 4.27 | 702006 | - | 702006 | 5.45 | 1.18 |
| Sub-Total (A) (1) | 5363544 | - | 5363544 | 41.67 | 3148544 | - | 3148544 | 24.46 | (17.21) |
| (2) Foreign | | | | | | | | | |
| a) NRI - Individual | - | - | - | - | - | - | - | - | - |
| b) Other - Individual | - | - | - | - | - | - | - | - | - |
| c) Bodies Corporate | - | - | - | - | - | - | - | - | - |
| d) Banks / FI | - | - | - | - | - | - | - | - | - |
| e) Any Other | - | - | - | - | - | - | - | - | - |
| Sub-Total (A) (2) | - | - | - | - | - | - | - | - | - |
| Total shareholding of promoter (A) =(A)(1) + (A)(2) | 5363544 | - | 5363544 | 41.67 | 3148544 | - | 3148544 | 24.46 | (17.21) |
| B Public Shareholding | | | | | | | | | |
| (1) Institutions | - | - | - | - | - | - | - | - | - |
| a) Mutual Funds | - | - | - | - | - | - | - | - | - |
| b) Banks / FI | - | - | - | - | - | - | - | - | - |
| c) Central Govt | - | - | - | - | - | - | - | - | - |
| d) State Govt | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Fund | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - |
| g) FIs | - | - | - | - | - | - | - | - | - |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| i) Others (Specify) | - | - | - | - | - | - | - | - | - |

IV. SHARE HOLDING PATTERN (Equity share Capital breakup as percentage of Total Equity)

i) Category-wise shareholding

| Category of Shareholders | No. of shares held at the beginning of the year(March 31, 2016) | | | | No. of shares held at the end of the year (March 31, 2017) | | | | % Change during the year |
|---|---|----------------|-----------------|-------------------|--|----------------|-----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of total shares | Demat | Physical | Total | % of total shares | |
| Sub-Total (B) (1) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| Non-Institutional | | | | | | | | | |
| Bodies Corporate | | | | | | | | | |
| i) Indian | 1725385 | 503605 | 2228990 | 17.32 | 2663852 | 503605 | 3167457 | 24.61 | 7.29 |
| ii) Overseas | - | - | - | - | - | - | - | - | - |
| Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs. 1 Lakh | 1970609 | 624076 | 2594685 | 20.16 | 3076542 | 617276 | 3693818 | 28.70 | 8.54 |
| ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh | 2406855 | - | 2406855 | 18.70 | 2520181 | - | 2510181 | 19.58 | 0.88 |
| C. Others (specify) | - | - | - | - | - | - | - | - | - |
| Foreign Nationals | - | - | - | - | - | - | - | - | - |
| Foreign Bodies | - | - | - | - | - | - | - | - | - |
| Director and their relatives | 2319 | 500 | 2819 | 0.02 | 2319 | 500 | 2819 | 0.02 | - |
| Non Resident Indians | 260054 | - | 260054 | 2.02 | 220479 | - | 220479 | 1.71 | (0.31) |
| NRI Non Repatriation | - | - | - | - | 36759 | - | 36759 | 0.29 | 0.29 |
| Clearing Members | 15546 | - | 15546 | 0.12 | 82436 | - | 82436 | 0.64 | 0.52 |
| Trusts | - | - | - | - | - | - | - | - | - |
| Qualified Foreign Investor | - | - | - | - | - | - | - | - | - |
| Sub-Total (B)(2) | 6380768 | 1128181 | 7508949 | 58.33 | 8602568 | 1121381 | 9723949 | 75.54 | 17.21 |
| Total Public shareholding | | | | | | | | | |
| (B) = (B)(1) + (B)(2) | 6380768 | 1128181 | 7508949 | 58.33 | 8602568 | 1121381 | 9723949 | 75.54 | 17.21 |
| C Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | 11744312 | 1128181 | 12872493 | 100.00 | 11751112 | 1121381 | 12872493 | 100.00 | - |

ii) Shareholding of Promoters

| Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in share holding during the year |
|---|---|----------------------------------|--|-------------------------------------|----------------------------------|--|---|
| | No. of shares | % of total shares of the Company | % of shares pledged / encumbered to total shares | No of shares | % of total shares of the Company | % of shares pledged / encumbered to the total shares | |
| Gati Limited | 1600300 | 12.43 | - | 1600300 | 12.43 | - | - |
| Mahendra Kumar Agarwal | 1196619 | 9.30 | - | 11619 | 0.09 | - | (9.21) |
| Mahendra Investment Advisors Pvt Ltd | 682000 | 5.30 | - | - | - | - | (5.30) |
| Bunny Investments & Finance Pvt. Ltd. | 554856 | 4.31 | - | 54856 | 0.43 | - | (3.88) |
| Jubilee Commercial & Trading Pvt. Ltd. | 320677 | 2.49 | - | 320677 | 2.49 | - | - |
| Dhruv Agarwal Benefit Trust | 308829 | 2.40 | - | 350829 | 2.73 | - | 1.30 |
| Dhruv Agarwal | 296675 | 2.30 | - | 296675 | 2.30 | - | - |
| Mahendra Kumar Agarwal Sons & HUF | 128265 | 1.00 | - | 128265 | 1.00 | - | - |
| Manish Agarwal Benefit Trust | 241177 | 1.87 | - | 351177 | 1.87 | - | 0.86 |
| Giri Roadlines and Commercial Trading Pvt Ltd | 19171 | 0.15 | - | 19171 | 0.15 | - | - |
| Gati Intellect Systems Ltd. | 14900 | 0.12 | - | 14900 | 0.12 | - | - |
| Manish Agarwal | 75 | 0.00 | - | 75 | 0.00 | - | - |
| TOTAL | 5363544 | 41.67 | - | 3148544 | 24.46 | - | (17.21) |

iii) Change in Promoter's Shareholding (please specify if there is no change)

| Shareholders Name | Shareholding at the beginning of the year | | Date wise increase / (decrease) in promoter shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.) | | | Cumulative shareholding at the end of the year | |
|---|---|----------------------------------|---|---------------|---------------|--|----------------------------------|
| | No. of shares | % of total shares of the Company | Date | No. of shares | Nature | No. of shares | % of total shares of the Company |
| Gati Limited | 1600300 | 12.43 | - | - | - | 1600300 | 12.43 |
| Mahendra Kumar Agarwal | 1196619 | 9.30 | 09.12.2016 | 1185000 | Transfer/Sale | 11619 | 0.09 |
| Mahendra Investment Advisors Pvt Ltd | 682000 | 5.30 | 09.12.2016 | 682000 | Transfer/Sale | - | - |
| Bunny Investments & Finance Pvt. Ltd. | 554856 | 4.31 | 09.12.2016 | 500000 | Transfer/Sale | 54856 | 0.43 |
| Dhruv agarwal | 296675 | 2.30 | - | - | - | 296675 | 2.30 |
| Dhruv Agarwal Benefit Trust | 308829 | 2.40 | 19.08.2016 | 42000 | Transfer/Buy | 350829 | 2.73 |
| Mahendra Kumar Agarwal Sons & HUF | 128625 | 1.00 | - | - | - | 128625 | 1.00 |
| Manish Agarwal Benefit Trust | 241177 | 1.87 | 19.08.2016 | 110000 | Transfer/Buy | 351177 | 2.73 |
| Giri Roadlines and Commercial Trading Pvt Ltd | 19171 | 0.15 | - | - | - | 19171 | 0.15 |
| Gati Intellect Systems Ltd. | 14900 | 0.12 | - | - | - | 14900 | 0.12 |
| Jubilee Commercial & Trading Pvt. Ltd. | 320677 | 2.49 | - | - | - | 320677 | 2.49 |
| Manish Agarwal | 75 | 0.00 | - | - | - | 75 | 0.00 |

iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

| Sl. No. | For each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Date wise increase / (decrease) in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.) | | | Cumulative Shareholding at the end of the year | |
|---------|-------------------------------------|---|----------------------------------|--|---------------|---------------|--|----------------------------------|
| | | No. of shares | % of total shares of the Company | Date | No. of shares | Nature | No. of shares | % of total shares of the Company |
| 1 | Green India Venture Fund | 1127209 | 8.76 | 08.04.2016 | (33804) | Transfer/Sale | 1093405 | 8.49 |
| | | | | 15.04.2016 | (25082) | Transfer/Sale | 1068323 | 8.30 |
| | | | | 22.04.2016 | (72702) | Transfer/Sale | 995621 | 7.73 |
| | | | | 29.04.2016 | (184990) | Transfer/Sale | 810631 | 6.30 |
| | | | | 06.05.2016 | (25111) | Transfer/Sale | 785520 | 6.10 |
| | | | | 13.05.2016 | (10150) | Transfer/Sale | 775370 | 6.02 |
| | | | | 20.05.2016 | (114718) | Transfer/Sale | 660652 | 5.13 |
| | | | | 27.05.2016 | (17788) | Transfer/Sale | 642864 | 4.99 |
| | | | | 19.08.2016 | (85954) | Transfer/Sale | 556910 | 4.33 |
| | | | | 26.08.2016 | (42495) | Transfer/Sale | 514415 | 4.00 |
| | | | | 02.09.2016 | (33232) | Transfer/Sale | 481183 | 3.74 |
| | | | | 09.09.2016 | (105284) | Transfer/Sale | 375899 | 2.92 |
| | | | | 16.09.2016 | (122758) | Transfer/Sale | 253141 | 1.97 |
| | | | | 23.09.2016 | (128492) | Transfer/Sale | 124649 | 0.97 |
| | | | | 30.09.2016 | (82961) | Transfer/Sale | 41668 | 0.32 |
| | | | | 07.10.2016 | (41668) | Transfer/Sale | 0 | 0 |
| | | | | 09.12.2016 | 2367000 | Transfer/Buy | 2367000 | 18.39 |
| | | | | 16.12.2016 | (184969) | Transfer/Sale | 2182031 | 16.95 |
| | | | | 23.12.2016 | (113759) | Transfer/Sale | 2068272 | 16.07 |
| | | | | 30.12.2016 | (110000) | Transfer/Sale | 1958272 | 15.21 |
| | | | | 27.01.2017 | (10000) | Transfer/Sale | 1948272 | 15.14 |
| | | | | 10.02.2017 | (20000) | Transfer/Sale | 1928272 | 14.98 |
| | | | | 17.02.2017 | (70000) | Transfer/Sale | 1858272 | 14.44 |
| | | | | 24.02.2017 | (8010) | Transfer/Sale | 1850262 | 14.37 |
| | | | | 03.03.2017 | (81882) | Transfer/Sale | 1768380 | 13.74 |
| | | | | 10.03.2017 | (19300) | Transfer/Sale | 1749080 | 13.59 |
| | | | | 24.03.2017 | (10000) | Transfer/Sale | 1739080 | 13.51 |
| | | | | 31.03.2017 | (74766) | Transfer/Sale | 1664314 | 12.93 |
| 2 | Neera Agarwal | 9,50,265 | 7.38 | 31.03.2017 | Nil | Nil | 9,50,265 | 7.38 |
| 3 | Ashok Kumar Agarwal | 116957 | 0.91 | 08.04.2016 | 15000 | Transfer/Buy | 131957 | 1.03 |
| | | | | 20.01.2017 | 1043 | Transfer/Buy | 133000 | 1.03 |
| | | | | 31.03.2017 | - | - | 133000 | 1.03 |
| 4 | Alka Jain | 103237 | 0.80 | 29.04.2016 | 7430 | Transfer/Buy | 110667 | 0.86 |
| | | | | 08.07.2016 | (49539) | Transfer/Sale | 61128 | 0.47 |
| | | | | 22.07.2016 | (15240) | Transfer/Sale | 45888 | 0.36 |
| | | | | 29.07.2016 | (236) | Transfer/Sale | 45652 | 0.35 |
| | | | | 05.08.2016 | (18415) | Transfer/Sale | 27237 | 0.21 |
| | | | | 12.08.2016 | (13968) | Transfer/Sale | 13269 | 0.10 |
| | | | | 26.08.2016 | (13269) | Transfer/Sale | 0 | 0 |
| | | | | 31.03.2017 | - | - | - | - |
| 5 | T Garg and Company Pvt Ltd. | 92903 | 0.72 | 30.06.2016 | 92903 | Transfer/Buy | 185806 | 1.44 |
| | | | | 30.06.2016 | (92903) | Transfer/Sale | 92903 | 0.72 |
| | | | | 31.03.2017 | - | - | 92903 | 0.72 |
| 6 | Shobhit Kumar Garg | 88737 | 0.69 | 31.03.2017 | - | - | 88737 | 0.69 |

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| | | | | | | | | |
|---|--------------------------|-------|------|------------|---------|---------------|--------|------|
| 7 | Karvy Stock Broking Ltd. | 77707 | 0.60 | 08.04.2016 | 75 | Transfer/Buy | 77782 | 0.60 |
| | | | | 15.04.2016 | 1282 | Transfer/Buy | 79064 | 0.61 |
| | | | | 22.04.2016 | (720) | Transfer/Sale | 78344 | 0.61 |
| | | | | 29.04.2016 | 251 | Transfer/Buy | 78595 | 0.61 |
| | | | | 06.05.2016 | 560 | Transfer/Buy | 79155 | 0.61 |
| | | | | 13.05.2016 | 260 | Transfer/Buy | 79415 | 0.62 |
| | | | | 20.05.2016 | 560 | Transfer/Buy | 79975 | 0.62 |
| | | | | 20.05.2016 | (460) | Transfer/Sale | 79515 | 0.62 |
| | | | | 27.05.2016 | 625 | Transfer/Buy | 80140 | 0.62 |
| | | | | 27.05.2016 | (560) | Transfer/Sale | 79580 | 0.62 |
| | | | | 10.06.2016 | 300 | Transfer/Buy | 79880 | 0.62 |
| | | | | 10.06.2016 | (300) | Transfer/Sale | 79580 | 0.62 |
| | | | | 17.06.2016 | 7237 | Transfer/Buy | 86817 | 0.67 |
| | | | | 17.06.2016 | (800) | Transfer/Sale | 86017 | 0.67 |
| | | | | 24.06.2016 | 7000 | Transfer/Buy | 93017 | 0.72 |
| | | | | 24.06.2016 | (7030) | Transfer/sale | 85987 | 0.67 |
| | | | | 30.06.2016 | 250 | Transfer/Buy | 86237 | 0.67 |
| | | | | 30.06.2016 | (250) | Transfer/Sale | 85987 | 0.67 |
| | | | | 08.07.2016 | 16955 | Transfer/Buy | 102942 | 0.80 |
| | | | | 08.07.2016 | (6700) | Transfer/Sale | 96242 | 0.75 |
| | | | | 15.07.2016 | 6609 | Transfer/Buy | 102851 | 0.80 |
| | | | | 15.07.2016 | (7609) | Transfer/Sale | 95242 | 0.74 |
| | | | | 22.07.2016 | 135 | Transfer/Buy | 95377 | 0.74 |
| | | | | 22.07.2016 | (2) | Transfer/Sale | 95375 | 0.74 |
| | | | | 29.07.2016 | 200 | Transfer/Buy | 95575 | 0.74 |
| | | | | 05.08.2016 | 1660 | Transfer/Buy | 97235 | 0.76 |
| | | | | 05.08.2016 | (100) | Transfer/Sale | 97135 | 0.75 |
| | | | | 12.08.2016 | 2742 | Transfer/Buy | 99877 | 0.78 |
| | | | | 12.08.2016 | (642) | Transfer/Sale | 99235 | 0.77 |
| | | | | 19.08.2016 | (9800) | Transfer/Sale | 89435 | 0.69 |
| | | | | 26.08.2016 | 1 | Transfer/Buy | 89436 | 0.69 |
| | | | | 26.08.2016 | (291) | Transfer/Sale | 89145 | 0.69 |
| | | | | 02.09.2016 | 100 | Transfer/Buy | 89245 | 0.69 |
| | | | | 02.09.2016 | (14) | Transfer/Sale | 89231 | 0.69 |
| | | | | 09.09.2016 | 520 | Transfer/Buy | 89751 | 0.70 |
| | | | | 16.09.2016 | 500 | Transfer/Buy | 90251 | 0.70 |
| | | | | 23.09.2016 | 370 | Transfer/Buy | 90621 | 0.70 |
| | | | | 30.09.2016 | 41600 | Transfer/Buy | 132221 | 1.03 |
| | | | | 07.10.2016 | 3897 | Transfer/Buy | 136118 | 1.06 |
| | | | | 07.10.2016 | (200) | Transfer/Sale | 135918 | 1.06 |
| | | | | 14.10.2016 | 1 | Transfer/Buy | 135919 | 1.06 |
| | | | | 14.10.2016 | (301) | Transfer/Sale | 135618 | 1.05 |
| | | | | 21.10.2016 | 101 | Transfer/Buy | 135719 | 1.05 |
| | | | | 21.10.2016 | (2036) | Transfer/Sale | 133683 | 1.04 |
| | | | | 28.10.2016 | 6660 | Transfer/Buy | 140343 | 1.09 |
| | | | | 04.11.2016 | 9666 | Transfer/Buy | 150009 | 1.17 |
| | | | | 04.11.2016 | (13719) | Transfer/sale | 136290 | 1.06 |
| | | | | 11.11.2016 | 1280 | Transfer/Buy | 137570 | 1.07 |
| | | | | 11.11.2016 | (3500) | Transfer/Sale | 134070 | 1.04 |
| | | | | 18.11.2016 | (10850) | Transfer/Sale | 123220 | 0.96 |
| | | | | 25.11.2016 | 100 | Transfer/Buy | 123320 | 0.96 |
| | | | | 25.11.2016 | (625) | Transfer/Sale | 122695 | 0.95 |
| | | | | 02.12.2016 | 1530 | Transfer/Buy | 124225 | 0.97 |
| | | | | 02.12.2016 | (2480) | Transfer/Sale | 121745 | 0.95 |
| | | | | 09.12.2016 | 384 | Transfer/Buy | 122129 | 0.95 |
| | | | | 09.12.2016 | (2164) | Transfer/Sale | 119965 | 0.93 |

| Sl. No. | For each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Date wise increase / (decrease) in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.) | | | Cumulative Shareholding at the end of the year | |
|---------|-------------------------------------|---|----------------------------------|--|---------------|---------------|--|----------------------------------|
| | | No. of shares | % of total shares of the Company | Date | No. of shares | Nature | No. of shares | % of total shares of the Company |
| | | | | 16.12.2016 | 1660 | Transfer/Buy | 121625 | 0.94 |
| | | | | 23.12.2016 | 72 | Transfer/Buy | 121697 | 0.95 |
| | | | | 30.12.2016 | 495 | Transfer/Buy | 122192 | 0.95 |
| | | | | 30.12.2016 | (595) | Transfer/Sale | 121597 | 0.94 |
| | | | | 06.01.2017 | 6234 | Transfer/Buy | 127831 | 0.99 |
| | | | | 13.01.2017 | 200 | Transfer/Buy | 128031 | 0.99 |
| | | | | 13.01.2017 | (3239) | Transfer/Sale | 124792 | 0.97 |
| | | | | 20.01.2017 | 4408 | Transfer/Buy | 129200 | 1.00 |
| | | | | 20.01.2017 | (4497) | Transfer/Sale | 124703 | 0.97 |
| | | | | 27.01.2017 | 3755 | Transfer/Buy | 128458 | 1.00 |
| | | | | 27.01.2017 | (1717) | Transfer/Sale | 126741 | 0.98 |
| | | | | 03.02.2017 | 2585 | Transfer/Buy | 129326 | 1.00 |
| | | | | 03.02.2017 | (1340) | Transfer/Sale | 127986 | 0.99 |
| | | | | 10.02.2017 | 4091 | Transfer/Buy | 132077 | 1.03 |
| | | | | 10.02.2017 | (5226) | Transfer/Sale | 126851 | 0.99 |
| | | | | 17.02.2017 | 457 | Transfer/Buy | 127308 | 0.99 |
| | | | | 17.02.2017 | (6717) | Transfer/Sale | 120591 | 0.94 |
| | | | | 24.02.2017 | 1100 | Transfer/Buy | 121691 | 0.95 |
| | | | | 24.02.2017 | (300) | Transfer/Sale | 121391 | 0.94 |
| | | | | 03.03.2017 | (100) | Transfer/Sale | 121291 | 0.94 |
| | | | | 10.03.2017 | 1275 | Transfer/Buy | 122566 | 0.95 |
| | | | | 17.03.2017 | 800 | Transfer/Buy | 123366 | 0.96 |
| | | | | 24.03.2017 | 2250 | Transfer/Buy | 125616 | 0.98 |
| | | | | 24.03.2017 | (1735) | Transfer/Sale | 123881 | 0.96 |
| | | | | 31.03.2017 | 836 | Transfer/Buy | 124717 | 0.97 |
| | | | | 31.03.2017 | (2042) | Transfer/Sale | 122675 | 0.95 |
| 8 | Rajiv Jivanlal Golani | 72,000 | 0.56 | 30.06.2016 | (28800) | Transfer/Sale | 43200 | 0.34 |
| | | | | 30.09.2016 | (43200) | Transfer/Sale | - | - |
| | | | | 31.03.2017 | - | - | - | - |
| 10 | Stanly John | 65845 | 0.51 | 27.05.2016 | 5 | Transfer/Buy | 65850 | 0.51 |
| | | | | 01.07.2016 | 10 | Transfer/Buy | 65860 | 0.51 |
| | | | | 08.07.2016 | 10 | Transfer/Buy | 65870 | 0.51 |
| | | | | 15.07.2015 | 15 | Transfer/Buy | 65885 | 0.51 |
| | | | | 05.08.2016 | 5 | Transfer/Buy | 65890 | 0.51 |
| | | | | 12.08.2016 | 5 | Transfer/Buy | 65895 | 0.51 |
| | | | | 26.08.2016 | 5 | Transfer/Buy | 65900 | 0.51 |
| | | | | 02.09.2016 | 100 | Transfer/Buy | 66000 | 0.51 |
| | | | | 17.03.2017 | (1000) | Transfer/Sale | 65000 | 0.50 |
| | | | | 31.03.2017 | - | - | 65000 | 0.50 |
| 10 | Govind Gupta | 64624 | 0.50 | 24.04.2016 | 1871 | Transfer/Buy | 66495 | 0.52 |
| | | | | 20.05.2016 | 5000 | Transfer/Buy | 71495 | 0.56 |
| | | | | 14.10.2016 | (8000) | Transfer/Sale | 63495 | 0.49 |
| | | | | 28.10.2016 | (10000) | Transfer/Sale | 53495 | 0.42 |
| | | | | 31.03.2017 | - | - | 53495 | 0.42 |

Note: The above information is based on the weekly beneficiary position received from depositories.

iv) Shareholding of Directors and Key Managerial Personnel

| Sl. No. | For each the Directors and KMP | Shareholding at the beginning of the year | | Date wise increase / (decrease) in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.) | | | Cumulative shareholding at the end of the year | |
|---------|--------------------------------|---|----------------------------------|--|---------------|---------------|--|----------------------------------|
| | | No. of shares | % of total shares of the Company | Date | No. of shares | Nature | No. of shares | % of total shares of the Company |
| 1 | Mr. Hemant Kaul | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| 2 | Mr. Mahendra Agarwal | 1196619 | 9.30 | 09.12.2016 | 1185000 | Transfer/Sale | 11619 | 0.09 |
| 3 | Mr. Radheshyam Agarwala | Nil | Nil | Nil | Ni | Nil | Nil | Nil |
| 4 | Mr.Sanwar Mal Jalan | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| 5 | Dr. Dhanpat Ram agarwal | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| 6 | Ms. Meera Madhusudan Singh | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| 7 | Mr. Ramesh Sivaraman | 960 | 0.00 | Nil | Nil | Nil | 960 | 0.00 |
| 8 | Ms. Lakshmi Sharma | Nil | Nil | Nil | Nil | Nil | Nil | Nil |

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment.

(₹ in Lakhs)

| Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial Year | | | | |
| i) Principal Amount | 4625.56 | 1275.00 | - | 5900.56 |
| ii) Interest due but not paid | Nil | Nil | - | Nil |
| iii) Interest accrued but not due | 18.93 | 29.07 | - | 48.00 |
| Total (i+ii+iii) | 4644.49 | 1304.07 | - | 5948.56 |
| Change in Indebtedness during the financial year | | | | |
| Addition | 25.00 | 143.00 | - | 168.00 |
| Reduction | 136.14 | 579.07 | - | 715.21 |
| Net Change | (111.14) | (436.07) | - | (547.21) |
| Indebtedness at the end of the financial Year | | | | |
| i) Principal Amount | 4533.35 | 868.00 | - | 5401.35 |
| ii) Interest due but not paid | 63.19 | 44.17 | - | 107.36 |
| iii) Interest accrued but not due | 23.70 | - | - | 23.70 |
| Total (i+ii+iii) | 4620.24 | 912.17 | - | 5532.41 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration of Managing Director, Whole-time Directors and Manager

(₹ in Lakhs)

| Sl. No | Particular of Remuneration | Mr. Ramesh Sivaraman Manager-Chief Executive |
|--------|----------------------------|---|
| 1 | Gross Salary (Rs.) | 33.66 |
| 2 | Stock Option (no.) | - |
| 3 | Sweat Equity | - |
| 4 | Commission | - |
| 5 | Others, please specify | - |
| | Total (A) | 33.66 |
| | Ceiling as per the Act | As approved by Central Government |

B. Remuneration to other Directors

(Amount in ₹)

| No | Particular of Remuneration | Other Directors | | | | | | Total |
|----------|--|-----------------|------------------|---------------|---------------|--------------|------------------------|---------------|
| | | Hemant Kaul | Mahendra Agarwal | R S Agarwala | S M Jalan | D R Agarwal | Meera Madhusudan Singh | |
| 1 | Independent Directors | | | | | | | |
| | (a) Fee for attending board / committee meetings | 16,000 | -- | -- | 16,000 | -- | -- | 32,000 |
| | (b) Commission | -- | -- | -- | -- | -- | -- | -- |
| | (c) Others, please specify | -- | -- | -- | -- | -- | -- | -- |
| | Total (1) | 16,000 | -- | -- | 16,000 | -- | -- | 32,000 |
| 2 | Other Non-Executive Directors | | | | | | | |
| | (d) Fee for attending board / committee meetings | -- | -- | 16,000 | -- | 4,000 | 8,000 | 28,000 |
| | (e) Commission | -- | -- | -- | -- | -- | -- | -- |
| | (f) Others, please specify | -- | -- | -- | -- | -- | -- | -- |
| | Total (2) | -- | -- | 16,000 | -- | 4,000 | 8,000 | 28,000 |
| | Total = (1+2) | 16,000 | -- | 16,000 | 16,000 | 4,000 | 8,000 | 60,000 |

Over all ceiling as per ACT: The Company had paid only sitting fees to the Directors. Apart from sitting fees there is no other remuneration paid to the Non-Executive Directors.

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD (₹ in Lakhs)

| Particular of Remuneration | Key Managerial Personnel | Total Amount |
|---|--|--------------|
| 1 Gross Salary | Lakshmi Sharma, Company Secretary | |
| (a) Salary as per provisions contained in section 17(1) of Income-tax Act, 1961 | 5.60 | 5.60 |
| (b) Value of perquisites u/s 17 (2) Income tax Act, 1961 | - | - |
| (c) Profits in lieu of salary under section 1 (3) Income-tax Act, 1961 | | |
| 2 Stock Option (nos.) | -- | - |
| 3 Sweat Equity | -- | - |
| 4 Commission | -- | - |
| as % of profit | -- | - |
| others, specify | -- | - |
| 5 others, please specify | -- | - |
| Total | 5.60 | 5.60 |

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

| Type | Section of the Companies Act | Brief Description | Details of penalty / punishment/ compounding fee imposed | Authority [RD /NCLT/ Court] | Appeal made, if any (give details) |
|--|------------------------------|-------------------|--|-----------------------------|------------------------------------|
| A. Company: Penalty Punishment Compounding B. Directors: Penalty Punishment Compounding C. Other officers in Default: Penalty Punishment Compounding | | | None None None | | |

Annexure - D

REPORT ON CORPORATE GOVERNANCE

Corporate Governance is the application of best management practices, compliances of laws, rules, regulations and adherence to standards to achieve the objects of the Company, enhancing shareholder/investor value and discharging of social responsibility. The Company does not view Corporate Governance principles as set of binding obligations, but believes in using it as a framework to be followed in spirit.

Corporate governance is based on principles such as conducting the business with all integrity and fairness, being transparent with regard to all transactions, making all the necessary disclosures and decisions, complying with all the laws of the land, accountability and responsibility towards the stakeholders and commitment to conducting business in an ethical manner.

The Companies Act, 2013 and SEBI Listing Regulations have strengthened the governance regime in the country. Your Company is in compliance with the governance requirements provided under the new law and listing regulations

Company's Philosophy

TCI Finance Limited (TCIF or the 'Company') believes that timely disclosures, transparent accounting policies and a strong and independent Board go a long way in maintaining good corporate governance, preserving shareholders' trust and maximizing long-term corporate value.

The Company's philosophy on Corporate Governance focuses on the attainment of the highest standards of transparency, accountability, ethics and equity with management flexibility, empowerment and responsiveness in the interest of shareholders, customers, employees, business associates and the society at large.

Board of Directors

The Board of Directors at present comprises of 6 directors out of which 2 are Independent Directors. The Board's actions and decisions are aligned with the Company's best interests. It is committed to the goal of sustainably elevating the Company's value creation. The Board critically evaluates the Company's strategic direction, management policies and their effectiveness.

The Chairman being non-executive Director, one third of the strength of the Board comprises of the Independent Directors. The composition of the Board is in conformity with the SEBI (LODR) Regulations, 2015.

The number of other directorships, committee chairmanships/memberships held in other companies by each of the Directors is tabled below:

| Name* | Designation | No. of other Directorships** | Committee *** | |
|-----------------------------|-------------|------------------------------|--------------------|------------|
| | | | Other Directorship | Membership |
| Mr. Hemant Kaul | Chairman | 6 | 2 | 1 |
| Mr. Mahendra Agarwal | Member | 8 | 1 | - |
| Mr. Radhe Shyam Agarwala | Member | 2 | 1 | - |
| Dr. Dhanpat Ram Agarwal | Member | 6 | 4 | 3 |
| Mr. Sanwar Mal Jalan | Member | 6 | 2 | 1 |
| Ms. Meera Madhusudhan Singh | Member | 2 | - | - |

*None of the above Directors are related to each other.

**Other directorships do not include Section 8 Companies and companies incorporated outside India.

***Chairmanships / Memberships of Board Committees include only Audit and Stakeholders Relationship Committees.

The composition of Board/Committees is available on the website of the Company i.e. <http://www.tcifl.in>.

Each Director informs the Company on an annual basis about the Board and Board Committee positions he occupies in other companies including Chairmanships and notifies changes periodically and regularly during the term of their directorship in the Company. None of the Directors on the Board are Members of more than ten Committees or Chairman of more than five Committees across all the public companies in which they are Directors.

Meetings of the Board

The Board of Directors must meet at least four times a year, with a maximum time gap of 120 days between two Board meetings. During the financial year 2016-17, the Board met Four times: April 28, 2016, August 5, 2016, November 3, 2016 and February 8, 2017. The necessary quorum was present at all the meetings.

The below table gives the composition of the Board, their attendance at the board meetings held during the year and at the previous Annual General Meeting held on August 5, 2016 and also the shareholding.

| Name | Category and Designation | Attendance particulars | | No. of Equity shares |
|-----------------------------|-------------------------------------|------------------------|----------|----------------------|
| | | Board meetings | Last AGM | |
| Mr. Hemant Kaul | Independent Director- Chairman | 4 | Yes | – |
| Mr. Mahendra Agarwal | Promoter and Non Executive Director | 3 | Yes | 11,619 |
| Mr. Radhe Shyam Agarwala | Non Executive Director | 4 | No | – |
| Mr. Sanwar Mal Jalan | Independent Director | 4 | Yes | – |
| Dr. Dhanpat Ram Agarwal | Non Executive Director | 3 | Yes | – |
| Ms. Meera Madhusudhan Singh | Non Executive Director | 4 | Yes | – |

The Companies Act, 2013 read with relevant Rules made there under, facilitates the participation of the Director in the Board/ Committee meetings through video conferencing or other audio mode. However none of the Directors have availed such a facility.

Information given to the Board:

The Company provides the following information to the Board and the Board Committees. Such information is submitted either as part of the agenda papers in advance of the meetings or by way of presentations and discussion materials during the meetings.

- Inter corporate Loans & Deposits
- Quarterly, Half yearly and Annual results of the Company and its subsidiaries
- Detailed presentations on the business performance of the Company
- Minutes of meetings of the Audit Committee and other Committees
- Statutory payment and related party transaction
- Internal Audit Report
- Subsidiary companies minutes, financial statements and significant investments

Declaration by Independent Directors

The independent directors of the Company have submitted the declaration satisfying all criteria of Independent Director under the Companies Act, 2013 and SEBI Regulation.

During the year 2016-17, information as mentioned in Schedule II Part A of the SEBI Listing Regulations, has been placed before the Board for its consideration.

The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company.

Disclosure of relationships between directors inter-se

None of the above Directors are related to each other.

Familiarisation programmes to Independent directors

The web link where details of familiarisation programmes imparted to Independent directors as disclosed in the website of the Company is: <http://www.tcifl.in/pdf/ProgrammesforIDs07022017.pdf>

Separate meetings of the Independent Directors

During the year under review, the Independent Directors met on February 7, 2017, inter alia, to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of the Performance of the chairman of the company, taking into account the views of the Executive and Non-Executive Directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

Committees of the Board

The Board Committees focus on specific areas and make informed decisions within the authority delegated. Each such Committee is guided by its Charter, which defines the composition, scope and powers. The Committees also make specific recommendations to the Board on various matters whenever required. All observations, recommendations and decisions of the Committees are placed before the Board for information or for approval.

The Company has five Board-level Committees, namely:

1. Audit Committee
2. Nomination & Remuneration Committee
3. Stakeholders Relationship Committee
4. Corporate Social Responsibility Committee
5. Credit Investment Committee

Audit Committee

The management is responsible for the Company's internal controls and the financial reporting process while the statutory auditors are responsible for performing independent audits of the Company's financial statements in accordance with generally accepted auditing practices and for issuing reports based on such audits. The Board of Directors has constituted and entrusted the Audit Committee with the responsibility to supervise these processes and thus ensure accurate and timely disclosures that maintain the transparency, integrity and quality of financial control and reporting. The constitution of the Audit Committee also meets with the requirements of Section 177 of the Companies Act, 2013 and SEBI Regulations/Listing regulations with the Stock Exchanges.

The primary responsibilities of the Audit Committee are to:

1. Supervise the financial reporting process
2. Review the quarterly and annual financial results before placing them to the Board along with related disclosures and filing requirements
3. Review the plan, scope and performance of the internal audit function
4. Discuss with management, the Company's major policies with respect to risk assessment and risk management.
5. Hold discussions with statutory auditors on the nature and scope of audits and any views that they have about the financial control and reporting processes
6. Ensure compliance with accounting standards and with listing requirements with respect to the financial statements
7. Recommend the appointment and removal of statutory auditors and their fees
8. Review related party transactions

All members of the Audit Committee are financially literate and bring in expertise in the fields of finance, economics, strategy and management. The Audit Committee invites such of the executives, as it considers appropriate Statutory Auditors and Internal Auditors to be present at its meetings. The Company Secretary acts as the Secretary to the Audit Committee.

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The Chairman of the Audit Committee was present at Annual General Meeting to answer shareholder queries. The Company Secretary acts as the secretary to the committee.

During the financial year 2016-17, the Audit Committee met four times viz., on April 28, 2016, August 5, 2016, November 3, 2016 and February 8, 2017. The below table gives the composition and attendance record of the Audit Committee.

| S.No | Name | Position | Number of meetings during the year 2016-17 | |
|------|------------------|----------|--|----------|
| | | | Held | Attended |
| 1 | Mr. S M Jalan | Chairman | 4 | 4 |
| 2 | Mr. R S Agarwala | Member | 4 | 4 |
| 3 | Mr. Hemant Kaul | Member | 4 | 4 |

Nomination and Remuneration Committee:

The Board has constituted Nomination & Remuneration Committee consisting of 2 Independent Directors. The terms of reference of the Committee cover evaluation of compensation and benefits for Executive Director(s), Non-Executive Director(s), KMP, framing of policies and looking after the issues relating to major HR policies.

| S.No | Name | Position | Number of meetings during the year 2016-17 | |
|------|----------------------|----------|--|----------|
| | | | Held | Attended |
| 1 | Mr. S M Jalan | Chairman | 1 | 1 |
| 2 | Mr. Mahendra Agarwal | Member | 1 | - |
| 3 | Mr. Hemant Kaul | Member | 1 | 1 |

During the financial year 2016-17, the Committee the company met once viz., on April 28, 2016.

Performance evaluation criteria of Independent Directors

The performance evaluation criteria of Independent Directors forms part of Directors report.

Remuneration policy:

The Nomination and Remuneration (N&R) Committee has adopted a policy which, inter alia, deals with the manner of selection of Board of Directors and CEO & Managing Director and their remuneration.

1. Criteria of Selection of Non-Executive Directors

- a. The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.
- b. In case of appointment of Independent Directors, the N&R Committee shall satisfy itself with regard to the criteria of independence of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
- c. The N&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- d. The N&R Committee shall consider the following attributes/criteria, whilst recommending to the Board the candidature for appointment as Director.
 - a) Qualification, expertise and experience of the Directors in their respective fields;
 - b) Personal, Professional or business standing;
 - c) Diversity of the Board.

- e. In case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

2. Remuneration

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

3. Criteria for selection/appointment of CEO & Managing Director

For the purpose of selection of the CEO & MD, the N&R Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfils such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

4. Remuneration for the CEO & Managing Director

- i. At the time of appointment or re-appointment, the CEO & Managing Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the N&R Committee and the Board of Directors) and the CEO & Managing Director within the overall limits prescribed under the Companies Act, 2013.
- ii. The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
- iii. The remuneration of the CEO & Managing Director is broadly divided into fixed and variable components. The fixed component comprises salary, allowances, perquisites, amenities and retiral benefits. The variable component comprises performance bonus.
- iv. In determining the remuneration (including the fixed increment and performance bonus) the N&R Committee shall ensure / consider the following:
 - a) the relationship of remuneration and performance benchmarks is clear;
 - b) balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
 - c) responsibility required to be shouldered by the CEO & Managing Director, the industry benchmarks and the current trends;
 - d) the Company's performance vis-à-vis the annual budget achievement and individual performance vis-à-vis the KRAs / KPIs.

5. Remuneration Policy for the Senior Management Employees

- I. In determining the remuneration of the Senior Management Employees (i.e. KMPs and Executive Committee Members) the N&R Committee shall ensure / consider the following:
 - i. the relationship of remuneration and performance benchmark is clear;
 - ii. the balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
 - iii. the remuneration is divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus;
 - iv. the remuneration including annual increment and performance bonus is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individuals performance vis-à-vis KRAs / KPIs, industry benchmark and current compensation trends in the market.

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In accordance with HR recommendation N&R Committee will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors mentioned herein-above, whilst recommending the annual increment and performance incentive to the N&R Committee for its review and approval.

Non-Executive Directors: -

The Sitting fee and commission payable to the Non-Executive Directors during the year under review is in conformity with the applicable provisions of the Companies Act, 2013, and duly considered and approved by the Board and the shareholders.

The details of sitting fee paid to the Non-Executive Directors during the financial year 2016-17 are as follows:

| Name | Sitting fee |
|-----------------------------|---------------|
| | (₹) |
| Mr. Hemant Kaul | 16,000 |
| Mr. Mahendra Agarwal | Nil |
| Mr. R.S. Agarwala | 16,000 |
| Mr. S.M. Jalan | 16,000 |
| Dr. D.R. Agarwal | 4,000 |
| Ms. Meera Madhusudhan Singh | 8000 |
| TOTAL | 60,000 |

The Company did not propose commission or stock options during the financial year 2016-17.

Other than above, there are no pecuniary or business relationship between the Non-Executive Directors and company and also between all the Directors.

Stakeholders Relationship Committee (Investors' Grievance Committee):

The Stakeholders Relationship Committee is empowered to perform the functions of the Board relating to handling of stakeholders' queries and grievances. It primarily focuses on:

1. Review of investor complaints and their redressal
2. Review of queries received from investors
3. Review the performance of the share transfer agent
4. Review of corporate actions related to shareholder issues
5. Review of stakeholders' queries & grievances

The Committee consists of two Directors, headed by Dr. D R Agarwal, Chairman of the Committee. During the financial year 2016-17, the Investors' Grievance Committee met three times viz., on April 28, 2016, August 5, 2016, and November 3, 2016 and all the members were present for the meeting.

Ms. Lakshmi Sharma, Company Secretary of the Company, officiates as secretary of the Committee and is also designated as Compliance Officer in terms of the Listing Agreement with the Stock Exchanges.

In order to expedite the process of share transfers, the Board has delegated the powers to officers of the Company. The delegated authority attends to share transfer formalities at least once a fortnight, as required.

An analysis of the investor complaints received and redressed during the financial year 2016-17 is given below:

| S.No. | Nature of Complaint | Received | Disposed | Pending | No. of not solved to the satisfaction of shareholders |
|-------|---|----------|----------|------------|---|
| 1 | Non receipt of Annual Report | 01 | 01 | Nil | Nil |
| 2 | Non receipt of Duplicate Share Certificate | 01 | 01 | Nil | Nil |
| 3 | Non receipt of fully paid stickers against payment of allotment money | 02 | 02 | Nil | Nil |
| | Total | 4 | 4 | Nil | Nil |

As on 31st March 2017, no request for dematerialization was pending.

Name, designation and address of Compliance Officer:

Ms. Lakshmi Sharma
Company Secretary,
Investor Relations & Compliance Officer
Email: investors_tcif@gati.com
Address for correspondence

Regd. & Corporate Office:

Plot no.20, Survey no.12, 4th Floor,
Kothaguda, Kondapur,
Hyderabad – 500 084
Tel: +91 040 7120 4284
Fax: +91 040 2311 2316

Credit/Investment Committee

Composition

The Committee comprises of the following directors as members viz.,

Mr R S Agarwala Chairman
Mr. S M Jalan Member

Terms of reference

The committee was constituted to look into the terms, conditions and other details of the loans rendered to the other companies.

Corporate Social Responsibility

The new act has mandated the Corporate Social Responsibility to the applicable Companies.

To be in conformity with the new Companies Act, 2013 and as a step towards the transformation, a CSR policy is framed. During the financial year the Company met once i.e. February 8, 2017. The below table gives the composition and attendance record of the Corporate Social Responsibility Committee:

| S No | Name | Designation | No. of meetings during the year 2016-17 | |
|------|----------------------------|-------------|---|----------|
| | | | Held | Attended |
| 1. | Ms. Meera Madhusudan Singh | Chairperson | 1 | 1 |
| 2. | Mr. S M Jalan | Member | 1 | 1 |
| 3. | Dr. D R Agarwal | Member | 1 | 1 |

Code of Conduct

The Board of Directors of the Company has laid down a code of conduct for all Board Members and designated senior management of the Company. The Code of Conduct has also incorporated the duties of Independent Directors as laid down in the Companies Act; 2013. The code of conduct is available on the website of the Company (www.tcifl.in). All Board members and senior management personnel have affirmed compliance with the code of conduct. A declaration signed by the Manager to this effect is enclosed at the end of this report.

- i. The Reserve Bank of India vide its circular dated September, 2008 issued guidelines for all NBFCs to adopt Fair Practice Code. Your Company adopted the same and is available on the website of the Company (www.tcifl.in). Further, as per recent circular issued by RBI to incorporate suitable amendments in Fair Practice Code, the Board of Directors in their meeting adopted the amended Fair Practice Code and the same is available on the website of the Company.

General Body Meetings**(a) Annual General Meeting:**

| Date of AGM | Time | Venue | No. of Special resolutions passed |
|--------------------|-------------|---|--|
| September 25, 2014 | 11.00 A.M | Plot no-20, Survey no-12, Opp. Of CII building, Kothaguda, Kondapur, Hyderabad-500081 | 1 |
| July 28, 2015 | 11.00 A.M | Plot no.20, Survey no.12, Ground Floor, Kothaguda, Kondapur, Hyderabad-500081 | 3 |
| August 5, 2016 | 10.30 A.M | Plot no.20, Survey no.12, Near Rainbow Children Hospital, Kothaguda, Kondapur, Hyderabad-500084 | – |

(b) Extraordinary General Meeting:

During the year, no Extraordinary General Meeting of the Company was held.

Postal Ballot:

During the year and last year the Company has not transacted any business through postal ballot. Further, as on date of the report, no special resolution is proposed to be conducted through postal ballot.

Means of Communication Results

The quarterly and half yearly un-audited and annual results were published in a National level English newspaper(s) as well as regional language newspaper circulating in the state of Telangana. The results are also displayed on the Company's website (www.tcifl.in).

News releases and presentation to Institutional Investors: Nil**NSE Electronic Application Processing System (NEAPS):**

The NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NEAPS.

BSE Corporate Compliance & Listing Centre :

BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

E-voting

Pursuant to the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, company is providing e-voting facility to its shareholders, in respect of all shareholders' resolutions, to be passed at the General Meetings.

Additional Shareholders' Information**Annual General Meeting:**

Date: August 14, 2017

Time: 11.00 a.m

Venue: Plot no.20, Survey no.12, Near Rainbow Children Hospital, Kothaguda, Kondapur, Hyderabad-500084

Financial Calendar

| Tentative calendar for declaration of financial results in FY 2017-18 | |
|--|--|
| Results for the quarter ended June 30, 2017 | July /on or before 14th August, 2017 |
| Results for the quarter ended September 30, 2017 | October /on or before 14th November, 2017 |
| Results for the quarter ended December 31, 2017 | January / on or before 14th February, 2018 |
| Results for the year ended March 31, 2018 | April / on or before 30th May, 2018 |

Book Closure dates: The dates for book closure are from August 7, 2017 to August 14, 2017 (both days inclusive).**Dividend payment date :** Not applicable**Listing on Stock Exchanges**

The Company's shares are listed on BSE Limited, Mumbai and the National Stock Exchange of India Limited, Mumbai. The listing fee for the year 2017-18 has been paid to all the above stock exchanges.

In case the securities are suspended from trading, the directors report shall explain the reason there of : Not applicable**Stock Code:**

- a) Trading scrip code on Bombay Stock Exchange : 501242
 b) Trading scrip code on National Stock Exchange : TCIFINANCE

International Securities Identification Number (ISIN):

ISIN is a unique identification number of traded scrip. The Company's ISIN for equity shares is INE 911B01018.

Monthly high / low stock quotations at NSE & BSE

(Amount in ₹)

| Months | NSE | | BSE | |
|---------------|-------------|------------|-------------|------------|
| | High | Low | High | Low |
| Apr-2016 | 22.60 | 19.10 | 22.85 | 19.20 |
| May-2016 | 22.45 | 18.20 | 22.45 | 17.05 |
| Jun-2016 | 25.00 | 18.65 | 25.20 | 18.30 |
| Jul-2016 | 29.30 | 22.80 | 29.75 | 22.55 |
| Aug-2016 | 27.40 | 22.10 | 27.50 | 21.80 |
| Sep-2016 | 24.50 | 18.30 | 24.75 | 18.50 |
| Oct-2016 | 33.50 | 19.40 | 33.35 | 19.10 |
| Nov-2016 | 31.70 | 22.00 | 31.80 | 21.20 |
| Dec-2016 | 27.30 | 20.60 | 27.10 | 20.85 |
| Jan-2017 | 27.55 | 22.20 | 27.70 | 22.00 |
| Feb-2017 | 30.40 | 23.20 | 31.30 | 24.30 |
| Mar-2017 | 29.10 | 23.20 | 29.00 | 23.00 |

Share price performance in comparison to broad based indices - BSE Sensex

| PARTICULARS | TCIF Share price v/s NSE | | TCIF Share price v/s BSE | |
|----------------------|---------------------------------|-----------|---------------------------------|------------|
| | Share Price(₹) | NSE NIFTY | Share Price (₹) | BSE Sensex |
| As on April 1, 2016 | 19.35 | 7718.05 | 19.95 | 25301.70 |
| As on March 31, 2017 | 24.85 | 9173.75 | 25.00 | 29620.50 |

Share Transfer System

All queries and requests relating to share/debenture transfers/transmissions may be addressed to our Registrar and Transfer Agent:

Karvy Computershare Private Limited

(Unit: TCI Finance Limited)

Karvy Computershare Private Limited

Karvy Selenium Tower B, Plot 31-32, Gachibowli

Financial District, Nanakramguda,

Hyderabad – 500 032

Tel. No: 040 44655000-152

E-mail: mohsin.mohd@karvy.com

Share transfers, if documents are found to be in order, are registered and returned in the normal course within two weeks from the date of receipt of the documents.

Dematerialization of Shares

The Company's scrip forms part of the compulsory dematerialization segment for all investors with effect from August 28, 2000. To facilitate easy access of the dematerialized system to the investors, the Company has signed up with both the depositories namely the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and has established connectivity with the depositories through its Registrar and Transfer Agent, Karvy Computershare Private Limited.

91.29% of the total shares have been dematerialized upto March 31, 2017. Dematerialization of shares is done through Karvy Computershare Private Limited and on an average the dematerialization process is completed within 7 days from the date of receipt of a valid dematerialization request along with the relevant documents.

| Particulars | Shares on March 31, 2017 | % |
|--------------------|---------------------------------|------------|
| Physical Shares | 1121381 | 8.71 |
| NSDL | 9864923 | 76.74 |
| CDSL | 1886189 | 14.65 |
| Total | 12872493 | 100 |

Secretarial Audit

As stipulated by SEBI, a Qualified Practicing Company Secretary carries out Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The Audit confirms that the total Listed and Paid-up capital is in agreement with the aggregate of the total number of shares in dematerialized form and in physical form.

Distribution Schedule as on March 31, 2017:

| No. of shares | | No. of Shareholders | % of total Shareholders | No. of shares | % to Total Capital |
|---------------|-----------|---------------------|-------------------------|-----------------|--------------------|
| Upto | 5000 | 5880 | 77.18 | 1155016 | 8.97 |
| 5001 | 10,000 | 840 | 11.03 | 731321 | 5.68 |
| 10,001 | 20,000 | 382 | 5.01 | 615541 | 4.78 |
| 20,001 | 30,000 | 160 | 2.10 | 411676 | 3.20 |
| 30,001 | 40,000 | 73 | 0.96 | 265781 | 2.06 |
| 40,001 | 50,000 | 78 | 1.02 | 373548 | 2.90 |
| 50,001 | 1,00,000 | 94 | 1.23 | 682618 | 5.30 |
| 1,00,001 | And above | 112 | 1.47 | 8636992 | 67.10 |
| TOTAL | | 7619 | 100.00 | 12872493 | 100.00 |

Distribution of Shareholding on the basis of ownership

| No. | Category | No. of shares held | % Shareholding |
|-----|------------------------------|--------------------|----------------|
| 1 | Promoter and Promoter Group | 3148544 | 24.46 |
| 2 | Non-Resident Indians | 257238 | 2.00 |
| 3 | Bodies Corporate, NBFC & HUF | 3333457 | 25.90 |
| 4 | Resident Individuals | 6047999 | 46.98 |
| 5 | Clearing Members | 82436 | 0.64 |
| 6 | Directors and relatives | 2819 | 0.02 |
| | TOTAL | 12,872,493 | 100.00 |

Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity - Not Applicable

Plant location: None

Unclaimed Shares:

The Company has sent reminders to the shareholders whose shares were lying with the Company unclaimed/undelivered. The transfer of unclaimed shares to the Demat Suspense Account /unclaimed suspense account, as required in accordance with the procedural requirements of the SEBI Listing Regulations, is under process.

Investor Correspondence

For queries relating to shares:

Karvy Computershare Pvt. Ltd.

(Unit TCI Finance Limited)

Karvy Selenium Tower B

Plot 31-32, Gachibowli

Financial District, Nanakramguda

Hyderabad – 500 032

Tel: +91 040 4465 5000- 152

Fax: +91 040 4465 5024

E-mail: mohsin.mohd@karvy.com

For queries relating to Financial Statements and other contents of Annual Report:

TCI Finance Limited

Secretarial Department

Plot no.20, Survey no.12, 4th Floor,

Kothaguda, Kondapur

Hyderabad – 500 084.

Tel: +91 040 7120 4284

Fax: +91 040 2311 2318

Email: investors_tcif@gati.com

Other Disclosures

- i) During the financial year under review, there were no materially significant related party transactions made by the company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc. that may have potentially conflict with the interest of the Company at large. Disclosures regarding related party transaction are disclosed in Note No. 24.1 of notes to accounts published elsewhere in this Annual Report.
- ii) There are no instances of non-compliance by the Company, penalties, and strictures imposed on the company by the Stock Exchanges or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years
- (iv) The Company has complied with all mandatory requirements of SEBI LODR Regulations, 2015.
- (v) The Company is preparing its financial statements in line with the accounting standards issued by the Institute of Chartered Accountants of India and the company has not raised any fresh funds from the public or through Right or Preferential Issue.

Vigil Mechanism

The Company has put in place a mechanism of reporting illegal or unethical behaviour. Employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor/notified persons. The reports received from any employee will be reviewed by the audit committee A Policy of vigil Mechanism is available on the website of the Company <http://www.tcifl.in/pdf/vigilmechanism.pdf>

The Directors and senior management are to maintain confidentiality of such reporting and ensure that the whistle blowers are not subjected to any discriminatory practice.

The Company affirms that no personnel have been denied access to the audit committee during the financial year 2016-17.

Disclosure of commodity price risks and commodity hedging activities: Not Applicable.

The Company has complied with all mandatory requirements of SEBI (LODR) Regulations, 2015.

Certificate under regulation 17(8) of SEBI LODR Regulations, 2015:

The manager chief executive who is also heading finance function of the Company give certification on financial reporting and internal controls to the Board as required under regulation 17(8) of SEBI LODR Regulations, 2015.

Code of Conduct for prohibition of Insider trading

Your company had adopted a Code of conduct as per SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time. All Directors, Designated Employees who could have access to the Unpublished Price Sensitive Information of the Company are governed by this Code. During the year under review, the Company had made due compliance with SEBI (Prohibition of Insider trade) Regulations, 2015.

Risk management

The details of Risk Management as practiced by the company are provided as part of Management Discussion and Analysis Report which forms part of this Annual Report.

Details of compliance with mandatory requirements

The Company has complied with all mandatory requirements specified in regulation 17 to 27 and clause(b) to (i) of sub regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Non-Mandatory Requirements

Company has also ensured implementation of non mandatory items such as :

- Separate posts of Chairman and Managing Director/CEO and reimbursement of expenses in the performance of duties.
- Unmodified audit opinion/ reporting.
- The Internal auditor reports directly to the Audit Committee

Details of the shareholders' rights in this regard are given in the section 'General Shareholder information'.

Observance of the Secretarial Standards issued by the Institute of Company Secretaries of India.

The Institute of Company Secretaries of India (ICSI), one of the India's premier professional bodies has issued Secretarial Standards on important aspects like Board Meetings, and General Meetings under series SS-1 and SS-2 which came into force from 1st July, 2015 upon endorsement of the same by Ministry of Corporate Affairs by notification and your company adheres to these standards where ever applicable. The other standards like, Maintenance of Registers and Records, Transmission of Shares, Passing of resolutions by Circulation, Affixing of Common Seal and Board's report which are as on date of report Recommendatory in nature are also adhered to voluntarily.

Management Discussion and Analysis:

Management Discussion and Analysis forms part of the Annual Report.

INTENTIONALLY LEFT BLANK

CERTIFICATE ON CORPORATE GOVERNANCE

To.

The Members of TCI Finance Limited,

We have examined the compliance of conditions of Corporate Governance by M/s. TCI Finance Limited (“the company”) for the year ended March 31, 2017, as per the provisions of regulations 17-27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated above. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restrictions on Use

This certificate is issued solely for the purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose.

For dvmgopal & associates
Company Secretaries

Place: Hyderabad
Date: May 2, 2017

dvm gopal
Proprietor
CP no. 6798
FCS no. 6280

Declaration

As provided under regulation 26(3) of the SEBI (LODR) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for Board of Directors and Senior Management for the year ended March 31, 2017.

for TCI FINANCE LIMITED

Place: Hyderabad
Date: May 2, 2017

Ramesh Sivaraman
Manager-Chief Executive

CHIEF EXECUTIVE OFFICER (CEO) / MD CERTIFICATION

We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2017 and that to the best of our knowledge and belief.

i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

ii) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit committee

(1) significant changes in internal control over financial reporting during the year.

(2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

For TCI Finance Limited

Ramesh Sivaraman
Manager-Chief Executive

Place: Hyderabad
Date: May 2, 2017

MANAGEMENT DISCUSSION & ANALYSIS

Business Environment

Global economy stagnated in 2016 with GDP growth of 3.1% as per the latest IMF estimates. Economic activity in advanced economies eased moderately compared to the previous year, with sluggish performance of the US being the major contributor. Meanwhile, emerging economies performed relatively better. The good thing is that the modest pick-up in economic activity which began in the second half of 2016 is gaining momentum this year. Japan recovered during the first quarter of this year against the backdrop of strong exports and investments related to the Tokyo 2020 Olympics. Meanwhile, decline in unemployment and improving dynamics of factory output suggests Euro area is also gaining momentum. Even the US economy is expected to improve with the possibility of a fiscal stimulus. Overall, growth in advanced economies is projected to come in at 2% in 2017. Meanwhile, the emerging and developing world is expected to grow at a healthy 4.5% in 2017, with the major support coming from recovery in Russia and Brazil, coupled with resilient India and to some extent China. Nonetheless, rising protectionist policies, oil price dynamics, geo-political tensions represent the downside risks to growth outlook.

Against this backdrop, India's GVA growth which is expected to expand by 6.7% in FY2017 is set to increase to around 7.4% in FY2018 (RBI estimates). However, with faster pace of remonetisation and forecast of normal monsoon by the Indian Meteorological Department, economic activity is going to further recover in the ongoing fiscal. Furthermore, performance on the external front continues to improve with positive export growth performance since September 2016. The Current account deficit is expected to narrow down to less than 1% in FY2017. Going forward, though recovery in oil prices is likely to put some pressure on external balance, CAD is expected to remain range bound, between 1-1.4% of GDP.

Industry Developments :

The NBFCs saw moderation in rate of asset growth, rising delinquencies resulting in higher provisioning thereby impacting profitability. However, comfortable capitalisation levels and conservative liquidity management, continues to provide comfort to the credit profile of well run NBFCs inspite of the impact on profitability.

The revised regulatory framework released in November, 2014 by the RBI focuses on strengthening the structural profile of the NBFC sector. These changes have to be implemented in a phased manner by March 31, 2018. Some of the key changes are:

- I. Classification of loan NPAs for NBFCs has also been brought in line with banks.
NPA recognition will change in a phased manner to 90 days overdue from the current 180 days overdue for loans and 360 days for hire purchase assets.
- II. Increase in Tier I CAR (core CAR) will increase in a phased manner to 10% for NBFC - D and NBFC - ND - SI, thereby increasing loan absorbing capacity and long term capital requirement.
- III. Stringent Corporate governance and disclosure norms for accountability, transparency and trust in NBFC sector IV. Standard asset provisioning will stand increased from 0.25% to 0.40%

Opportunities

Reports from the World Bank indicate that Non Banking Financial Institutions act as critical pillars contributing to macroeconomic stability and sustained economic growth and prosperity, due to their ability to finance firms and individuals at a reasonable cost, reduce volatility by providing multiple sources to finance and park funds and enable creation of a competitive environment characterized by a diverse array of products. This has been proven time and again in developed markets.

Non-Banking Finance Companies (NBFCs) continue to play a critical role in making financial Services accessible to a wider set of India's population and are emerging as strong intermediaries in the retail finance space. Going forward, one should expect NBFCs to further Strengthen their presence in retail finance and grow at a reasonably healthy pace.

Threats

The biggest challenge before NBFCs is that they are facing stiff competition from banks and financial institutions, due to their ability to raise low cost funds which enables them to provide funds at much cheaper rate. More stringent capital adequacy norms have been stipulated by RBI for NBFCs which is making difficult for them to give cheaper finance.

Ever-increasing competition from commercial counterparts whose capacity to absorb losses is higher, counter-party failures, recommendations being made to increase the purview of monitoring by regulatory authorities increase the threat of losing the essence of Non-banking Finance Companies which are specifically designed to reach out and finance certain target groups.

Segment-wise or product-wise performance of the Company

The Company is a Non Banking Finance Company (NBFC). It is engaged in the business of financing which is the only segment in the Company. Hence, the results for the year under review pertain to only financing activity.

Future Strategies

NBFCs have proven their mettle in many other specialized financial services such as factoring, lease finance, venture capital finance, financing road transport and also in the business of securities-based lending such as Loan against Shares, Margin Funding, IPO Financing, Promoter Funding etc. They have also been providing a major boost to Micro, Small and Medium enterprises and other avenues where banks exercise cautious lending. All the above factors further emphasize the potential and opportunities in store for NBFCs and the regulations when designed to provide the right environment, provides impetus to the growth of the sector.

The wholly owned subsidiary of the Company M/s ITAG Business Solution Limited shall continue to focus on the core business area of Knowledge process outsourcing in the forthcoming years.

Risks and concerns

The NBFC industry in general faces the risk of re-entry and new entry of players and existence of several unorganized regional players increasing the competition which mainly affects the asset quality. This is further characterized by captive NBFCs floated by other business houses. The ever existing systemic and delinquency risks and fluctuations in interest rates and risk weight make the companies more vulnerable. Deployment of funds in sensitive and volatile sectors increases the risk exposure while concentration risk increases dependency.

Internal Control Systems and their adequacy

Internal Control measures and systems are established to ensure the correctness of the transactions and safe guarding of the assets. The Management ensures adherence to all internal control policies and procedures as well as compliance with regulatory guidelines. The audit committee of the Board of Directors reviews the adequacy of internal controls. This has improved the management of the affairs of the Company and strengthened transparency and accountability.

Business Overview financial performance

Your company is a small sized, BSE and NSE listed, Non Banking Financial Company (NBFC).

The Company's total Revenue from Operations during the year were ₹1222 Lakhs and the net profit after tax is ₹ 360 Lakhs as against ₹1126 Lakhs and ₹198 lakhs respectively in the previous year.

Human Resources

The Company always considers its human resources as a valuable asset and is committed towards their development for continuous growth. Focus on training to enhance the skill-sets of employees in line with the business and market requirements continued throughout the year and it confers rewards and recognition based on merit.

The employee relations have continued to be harmonious throughout the year. The Company has 4 permanent employees as on 31st March 2017.

Cautionary Statement

Statements in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of the applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could influence the Company's operations include economic and political conditions in which the Company operates, interest rate fluctuations, changes in Government / RBI regulations, Tax laws, Other statutes and incidental factors.

INDEPENDENT AUDITORS' REPORT

To
**The Members of
TCI Finance Limited**

Report on the Standalone Financial Statements

We have audited the accompanying Standalone Financial Statements of TCI Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information ("here after referred to as "standalone financial statements").

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Financial Statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017 and its Profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our report in 'Annexure A'; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2016, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note No 22.1 to the financial statements;
 - ii. The Company did not have any material foreseeable losses relating to long term contracts including derivative contracts; and
 - iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosure in its Standalone Financial statements as to holding as well as dealing in specified Bank Notes during the period from November 8, 2016 to December 30, 2016 and these are in accordance with the books of account maintained by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the "Annexure B", a statement on the matters specified in paragraphs 3 and 4 of the Order.

for M. Bhaskara Rao & Co.,
Chartered Accountants
Firm Registration No. 000459S

P. Swathi
Partner

Membership No.513946

Hyderabad, May 2, 2017

Re: TCI Finance Limited

Annexure A to the Independent Auditors' report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of TCI Finance Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls over Financial Reporting" issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient

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conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the "Guidance Note on Audit of Internal Financial Controls over Financial Reporting" (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk whether a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for M. Bhaskara Rao & Co.,
Chartered Accountants
Firm Registration No. 000459S

P. Swathi
Partner

Membership No.513946

Hyderabad, May 2, 2017

Re: TCI Finance Limited**Annexure B to the Independent Auditors' Report**

(Referred to in paragraph '2' under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i.
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) According to the information and explanations given to us, all the fixed assets have been physically verified by the management during the year in accordance with programme of verification, which in our opinion, is reasonable having regard to the size of the Company and the nature of the assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us, the title deeds of the immovable properties are held in the name of the Company.
- ii. Having regard to the nature of the Company's business, paragraph 3(ii) of the Order relating to inventory is not applicable.
- iii. In our opinion and according to the information and explanations given to us, the Company has granted unsecured loans to parties covered in the register maintained under Section 189 of the Companies Act, 2013.
 - a. The term and conditions of the loans granted by the Company to two parties covered in the register maintained under Section 189 of the Companies Act, 2013 is amounting to ₹ 3,122.50 Lakhs and the balance outstanding as at March 31, 2017 is ₹ 2,515.91 Lakhs are not prejudicial to the interests of the Company.
 - b. Schedule of repayment of principal and payment of interest has been stipulated by the Company. The Company is in regular receipt of principal and interest from the parties mentioned as per the register 189 of the Companies Act, 2013.
 - c. There are no over dues towards principal and interest for more than ninety days except the following for which the Company has taken reasonable steps for recovery of the same.

| | |
|--------------------------|---------------|
| No of Cases | 3 |
| Principal Amount Overdue | Nil |
| Interest Overdue | ₹ 38.47 Lakhs |
| Total Amount Overdue | ₹ 38.47 Lakhs |

- iv. In our opinion and according to the information and explanations given to us, there are no transactions which attracts Section 185 and Section 186 of the Companies Act 2013. Hence, reporting under the provisions of paragraph 3(iv) of the Order does not arise. Refer Note No 22.3 of the financial statements.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits. Accordingly, the provisions of paragraph 3(v) of the Order does not arise.
- vi. In our opinion and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148 (1) of the Companies Act, 2013 for the activities of the Company.
- vii. (a) According to the information and explanations given to us and based on the examination of records of the Company, the Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Wealth Tax, Sales-tax, Service Tax, Customs duty, Excise Duty, Value Added Tax, Cess and any other material statutory dues applicable to it with the appropriate authorities during the year except the following

| S. No | The outstanding demand pertains to the AY | Demand Raised u/s | Demand Amount | Demand uploaded by |
|-------|---|-------------------|---------------|--------------------|
| 1 | 2014- 2015 | 143(3) | ₹ 34,51,770 | Jurisdictional AO |
| 2 | 2015-2016 | 143(1a) | ₹ 39,94,370 | CPC |

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(b) Details of dues of Income Tax, Sales tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited as on March 31, 2017 on account of disputes are as below:

| Nature of statute | Nature of the dues | Amount (₹) | Period to which the amount relates | Forum where dispute is pending |
|--------------------------|---------------------------|-------------------|---|--|
| Karnataka Sales Tax | Tax/Penalty | 63,661 | 1996-1997 | Joint Commissioner of Commercial Taxes (Appeals) |

- viii. In our opinion and according to the information and explanations given to us and based on the examination of records of the Company, the Company has not defaulted in repayment of dues to financial institutions.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Term loans availed by the Company during the year were, prima facie, applied by the Company for the purposes for which they were obtained.
- x. During the course of our examination of the books and other records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year, nor have we been informed of such case by the management.
- xi. In our opinion and according to the information and explanations given to us and based on the examination of records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with the Schedule V of the Companies Act, 2013.
- xii. According to the information and explanations given to us and based on our examination of the records, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on the examination of records of the Company, all the transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act 2013 and the details have been disclosed in the financial statements as required by the applicable accounting standard.
- xiv. According to the information and explanations given to us and based on the examination of records of the Company, the Company has not made preferential allotment or private placement of shares or fully or partly Convertible debentures during the year. Hence, reporting under the provisions of paragraph 3(xiv) of the Order does not arise.
- xv. According to the information and explanations given to us and based on the examination of records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year. Accordingly, paragraph 3(xv) of the order is not applicable.
- xvi. The Company is a Non Banking Financial Institutions as per Section 45I(a) of the Reserve Bank of India Act, 1934 and obtained the Certificate of Registration.

for M. Bhaskara Rao & Co.
Chartered Accountants
Firm Registration No. 000459S

P. Swathi
Partner

Membership No: 513946

Hyderabad, May 2, 2017

TCI FINANCE LIMITED
Balance Sheet as at March 31, 2017

| Particulars | Note No. | As at March 31, 2017 | As at March 31, 2016 |
|---|----------|-------------------------|-------------------------|
| EQUITY AND LIABILITIES | | ₹ | ₹ |
| Shareholders' Funds | | | |
| (a) Share Capital | 3 | 141,963,050 | 141,963,050 |
| (b) Reserves and Surplus | 4 | 314,901,481 | 278,861,033 |
| | | 456,864,531 | 420,824,083 |
| Non-Current Liabilities | | | |
| (a) Long Term Borrowings | 5 | 198,897,566 | 207,710,154 |
| (b) Long Term Provisions | 6 | 1,553,520 | 1,514,214 |
| | | 200,451,086 | 209,224,368 |
| Current Liabilities | | | |
| (a) Short-Term Borrowings | 7 | 331,800,000 | 375,000,000 |
| (b) Trade Payables | 8 | | |
| (A) Micro, Small, Medium Enterprises (MSMEs) | | - | - |
| (B) Other than MSMEs | | 2,949,885 | 1,010,573 |
| (c) Other Current Liabilities | 9 | 25,493,073 | 14,043,747 |
| (d) Short Term Provisions | 10 | 9,990 | 7,912 |
| | | 360,252,948 | 390,062,232 |
| TOTAL | | 1,017,568,565 | 1,020,110,683 |
| ASSETS | | | |
| Non-Current Assets | | | |
| (a) Fixed Assets | | | |
| (i) Tangible Assets | 11A | 5,394,434 | 7,288,698 |
| (ii) Intangible Assets | 11B | 1,644 | 1,644 |
| (b) Non-Current Investments | 12 | 495,133,004 | 494,923,004 |
| (c) Deferred Tax Assets (Net) | 24.2 | 662,389 | 237,784 |
| (d) Long Term Loans and Advances | 13 | 8,382,724 | 11,760,397 |
| | | 509,574,195 | 514,211,527 |
| Current Assets | | | |
| (a) Cash and Cash Equivalents | 14 | 1,952,527 | 964,652 |
| (b) Short Term Loans and Advances | 15 | 452,201,028 | 473,961,367 |
| (c) Other Current Assets | 16 | 53,840,815 | 30,973,137 |
| | | 507,994,370 | 505,899,156 |
| TOTAL | | 1,017,568,565 | 1,020,110,683 |
| Corporate Information and Significant Accounting Policies | 1 & 2 | | |

Accompanying notes form an integral part of the Financial Statements

As per our report of even date attached.

For M.Bhaskara Rao & Co.
Chartered Accountants

For and on behalf of the Board

P Swathi
Partner

Hemant Kaul
Chairman
DIN No : 00551588

S M Jalan
Director
DIN No : 00324182

Lakshmi Sharma
Company Secretary
M.No: A32617

Ramesh Sivaraman
Manager - Chief Executive

Hyderabad, May 02, 2017

Statement of Profit and Loss for the year ended March 31, 2017

| Particulars | Note No. | 2016-17 | 2015-16 |
|---|----------|--------------------|--------------------|
| | | ₹ | ₹ |
| Income | | | |
| Revenue from Operations | 17 | 122,240,102 | 112,550,348 |
| Other Income | 18 | 18,714,063 | 2,080,525 |
| Total Revenue | | 140,954,165 | 114,630,873 |
| Expenses | | | |
| (a) Employee Benefits Expense | 19 | 7,873,189 | 7,637,255 |
| (b) Finance Costs | 20 | 85,557,069 | 80,392,134 |
| (c) Depreciation and Amortisation | 11C | 276,577 | 291,686 |
| (d) Other Expenses | 21 | 4,569,488 | 3,107,733 |
| (e) Provision for Standard Assets / Non-Performing Assets | 22.4 | 2,000 | 321,000 |
| Total Expenses | | 98,278,323 | 91,749,808 |
| Profit Before Tax | | 42,675,842 | 22,881,065 |
| Tax Expense: | | | |
| (a) Current Tax | | 6,842,000 | 3,200,000 |
| (b) Adjustments relating to earlier years | | 218,000 | - |
| (c) Deferred Tax | | (424,606) | (133,492) |
| | | 6,635,394 | 3,066,508 |
| Profit After Tax | | 36,040,448 | 19,814,557 |
| Earnings per Equity Share of ₹ 10/- each | | | |
| Basic and Diluted | 23.1 | 2.80 | 1.54 |
| Corporate Information and Significant Accounting Policies | 1 & 2 | | |

Accompanying notes form an integral part of the Financial Statements

As per our report of even date attached.

For M.Bhaskara Rao & Co.
Chartered Accountants

For and on behalf of the Board

P Swathi
Partner

Hemant Kaul
Chairman
DIN No : 00551588

S M Jalan
Director
DIN No : 00324182

Lakshmi Sharma
Company Secretary
M.No: A32617

Ramesh Sivaraman
Manager - Chief Executive

Hyderabad, May 02, 2017

TCI FINANCE LTD.

Cash Flow Statement for the year ended March 31, 2017

| Particulars | 2016-17 | 2015-16 |
|--|---------------------|----------------------|
| | ₹ | ₹ |
| A. Cash Flow From Operating Activities | | |
| Net profit before tax and extra ordinary items | 42,675,842 | 22,881,065 |
| Adjustments for: | | |
| Depreciation and Amortisation | 276,577 | 291,686 |
| Profit on sale of Investments | - | (4,662,916) |
| Profit on sale of assets | (9,382,313) | (1,816,525) |
| Dividend received (Long Term Investments) | (8,528,010) | (6,913,541) |
| | 25,042,096 | 9,779,769 |
| Changes in working capital: | | |
| Adjustments for (increase) / decrease in operating assets: | | |
| Short Term Loans and Advances | (398,633) | 413,633 |
| Other Current Assets | (22,867,678) | (6,385,876) |
| Other Non-Current Assets | - | 120,265 |
| Adjustments for increase / (decrease) in operating liabilities: | | |
| Trade Payables | 1,939,312 | 699,273 |
| Other Current Liabilities | 9,357,634 | 5,403,637 |
| Short Term Provisions | 2,078 | (281) |
| Long Term Provisions | 39,306 | 312,091 |
| Cash used in Operations | 13,114,115 | 10,342,510 |
| Net Income Tax Refunded | (3,682,327) | (17,943,146) |
| Net Cash used in Operations | 9,431,788 | (7,600,636) |
| Loans Repaid / (Disbursed) (Net) | 22,158,972 | (118,750,000) |
| Net Cash from / (used in) Operating Activities (A) | 31,590,760 | (126,350,636) |
| B. Cash Flow from Investing Activities | | |
| Proceeds from Sale of assets | 11,000,000 | 2,100,000 |
| Repayment from / (Advance to) Subsidiary | - | 1,000,000 |
| Purchase of Assets | - | - |
| Sale of Long Term Investments | - | 5,044,233 |
| Purchase of Long Term Investments | (210,000) | - |
| Dividend received (Long term Investments) | 8,528,010 | 6,913,541 |
| Net cash from / (used in) Investing Activities (B) | 19,318,010 | 15,057,774 |
| C. Cash Flow from Financing Activities | | |
| Repayment of Short Term Borrowings | (60,000,000) | 75,000,000 |
| Proceeds from Short Term Borrowings | 16,800,000 | - |
| Repayment of Long Term Borrowings | (6,720,896) | (6,061,608) |
| Net cash from Financing Activities (C) | (49,920,896) | 68,938,392 |
| Net Increase / Decrease in Cash and Cash Equivalents (A+B+C) | 987,874 | (42,354,469) |
| Cash and Cash Equivalents at the beginning of the year | 964,652 | 43,319,122 |
| Cash and Cash Equivalents at the end of the year | 1,952,527 | 964,652 |

Accompanying notes form an integral part of the Financial Statements

As per our report of even date attached.

For M.Bhaskara Rao & Co.
Chartered Accountants

P Swathi
Partner

Hyderabad, May 02, 2017

For and on behalf of the Board

Hemant Kaul
Chairman
DIN No : 00551588

Lakshmi Sharma
Company Secretary
M.No: A32617

S M Jalan
Director
DIN No : 00324182

Ramesh Sivaraman
Manager - Chief Executive

Notes forming part of the Financial Statements for the year ended March 31, 2017

| | |
|--------------|--|
| 1 | Corporate information TCI Finance Limited ("the Company") is a public company domiciled in India. Its shares are listed in Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Company is a "Loan company" engaged in the business of Non Banking Financial Institution as defined in section 45I(a) of the Reserve Bank of India Act , 1934. |
| 2 | Significant Accounting Policies |
| 2.1 | Basis of accounting and preparation of financial statements The financial statements of the Company are prepared on accrual basis, under historical cost convention. The Financial Statements of the Company have been prepared in accordance with G.A.A.P in India ("Indian GAAP") to comply with accounting standards specified under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Act/ the Companies Act, 1956, as applicable. The accounting policies adopted in the preparation of financial statements are consistent with those of the preceeding year. |
| 2.2 | Use of Estimates The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised. |
| 2.3 | Cash Flow Statement The Cash Flow Statement is prepared under "Indirect method" in accordance with Accounting Standard-3 on Cash Flow Statements notified in section 133 of the Companies Act, 2013. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information. |
| 2.4 | Revenue Recognition |
| 2.4.1 | Lease Income (i) The income from lease transactions is recognized on accrual basis after netting off the lease equalization charges as recommended by the Institute of Chartered Accountants of India in its Guidance Note - "Accounting for Leases". (ii) The Lease Equalization charge (debit or credit as the case may be in any particular year) represent the difference between the Depreciation as per Schedule II and that which is chargeable so as to write off the asset over the primary lease period. |
| 2.4.2 | Interest Income Interest income is recognised on accrual basis except in case of non-performing assets. Overdue interest is recognised as income on realisation. |
| 2.5 | Fixed Assets: |
| 2.5.1 | Tangible Assets: Fixed assets are carried at cost of acquisition or construction less accumulated depreciation. The cost includes non-refundable taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets. |
| 2.5.2 | Intangible Assets: Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. |
| 2.6 | Depreciation and Amortisation Depreciable amount of assets is the cost of an asset, or other amount substituted for cost less its estimated residual value. Depreciation on tangible fixed assets has been provided on the straight line method as per the useful lives prescribed in schedule II to the Companies Act, 2013 . Intangible assets are amortised, on the straight line method on the useful lives prescribed in schedule II to the Companies Act, 2013 . |
| 2.7 | Investments Investments are classified as Long term and Current. Long term Investments are carried at cost less provision for other than temporary diminution, if any, in value of such investments. Current investments are carried at lower of cost and fair value. |

Notes forming part of the Financial Statements for the year ended March 31, 2017

| | |
|---------------|--|
| 2.8 | Employee Benefits |
| | (i) Provident fund is a defined contribution plan and the contributions as required by the statute to Employees Provident Fund Organisation are charged to Statement of Profit and Loss when due. |
| | (ii) Gratuity liability is defined benefit obligation and is wholly funded. The Company accounts for liability for future gratuity benefits based on actuarial valuation. Actuarial gains / losses are immediately taken to the Statement of Profit and Loss and are not deferred. |
| | (iii) Compensated Absences - The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employee is recognized during the period when the employee renders the service. |
| 2.9 | Reserve Bank of India Prudential Norms |
| | The Company follows the guidelines issued by the Reserve Bank of India, in respect of income recognition, asset classification and valuation of investments. Provision for standard assets is made in terms of the notification DNBS.222/CGM(US)-2011 dated January 17, 2011 issued by Reserve Bank of India. |
| 2.10 | Taxes: |
| 2.10.1 | Current Tax: Provision for current tax is made based on the taxable income computed for the year under the Income Tax Act, 1961. |
| 2.10.2 | Deferred Taxes: Deferred tax is recognised on timing differences, being the difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets are reviewed at each balance sheet date for their realisability. |
| 2.11 | Earnings Per Share: |
| | Basic earnings per equity share is computed by dividing the net profit for the year attributable to the Equity Shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit for the year, adjusted for the effects of dilutive potential equity shares, attributable to the Equity Shareholders by the weighted average number of the equity shares and dilutive potential equity shares outstanding during the year except where the results are anti-dilutive. |
| 2.12 | Provisions, Contingent liabilities liabilities and Contingent Assets: |
| | The Company recognises provisions when there is present obligation as a result of past event and it is probable that there will be an outflow of resources and reliable estimate can be made of the amount of the obligation. A disclosure for Contingent liabilities is made when there is a possible obligation or present obligations that may, but probably will not, require an outflow of resources. Contingent assets are neither recognised nor disclosed in the financial statements. |

3 Share Capital

| | March 31, 2017 | | March 31, 2016 | |
|---|----------------|--------------------|----------------|--------------------|
| | No. of shares | ₹ | No. of shares | ₹ |
| Authorised Equity shares of ₹ 10/- each | 20,000,000 | 200,000,000 | 20,000,000 | 200,000,000 |
| Issued Equity shares of ₹ 10/- each | 16,000,000 | 160,000,000 | 16,000,000 | 160,000,000 |
| Subscribed and fully paid up Equity shares of ₹ 10/- each | 12,872,493 | 128,724,930 | 12,872,493 | 128,724,930 |
| Add : Forfeited Shares (Amount Originally paid up) | - | 13,238,120 | - | 13,238,120 |
| Total | | 141,963,050 | | 141,963,050 |

(i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

| | March 31, 2017 | | March 31, 2016 | |
|------------------------------------|-------------------|--------------------|-------------------|--------------------|
| | No. of Shares | ₹ | No. of Shares | ₹ |
| Equity Shares of ₹10/- each | | | | |
| At the beginning of the year | 12,872,493 | 141,963,050 | 12,872,493 | 141,963,050 |
| Add : Issued during the year | - | - | - | - |
| Outstanding at the end of the year | 12,872,493 | 141,963,050 | 12,872,493 | 141,963,050 |

(ii) Rights, Preferences and Restrictions attached to equity shares

The Company has one class of equity shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held.

In the event of liquidation of the Company, the equity shareholders are eligible to receive remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(iii) Details of Shareholders Holding more than 5% of the shares in the Company

| Name of Shareholder | March 31, 2017 | | March 31, 2016 | |
|--|----------------|----------------|----------------|----------------|
| | No of Shares | % Shareholding | No of Shares | % Shareholding |
| Equity Shares of ₹ 10/- each | | | | |
| Gati Limited | 1,600,300 | 12.43 | 1,600,300 | 12.43 |
| Mahendra Kumar Agarwal | - | - | 1,196,619 | 9.30 |
| Green India Venture Fund | 1,664,314 | 12.93 | 1,127,209 | 8.76 |
| Neera Agarwal | 950,265 | 7.38 | 950,265 | 7.38 |
| Mahendra Investment Advisors Private Limited | - | - | 682,000 | 5.30 |

4 Reserves and Surplus

| | March 31, 2017 | March 31, 2016 |
|---|--------------------|--------------------|
| | ₹ | ₹ |
| (a) Securities Premium Account | | |
| Opening Balance | 163,086 | 163,086 |
| (b) General Reserve | | |
| Opening Balance | 35,218,685 | 35,218,685 |
| (c) Reserve Fund (As per Section 45 IC of Reserve Bank of India Act, 1934) | | |
| Opening Balance | 51,687,585 | 47,724,674 |
| Add: Transferred from surplus in Statement of Profit and Loss | 7,208,089 | 3,962,911 |
| | 58,895,673 | 51,687,585 |
| (d) Surplus in Statement of Profit and Loss | | |
| Opening Balance | 191,791,677 | 175,940,031 |
| Add: Profit After Tax for the year | 36,040,448 | 19,814,557 |
| Less: Amount transferred to Reserve Fund | 7,208,089 | 3,962,911 |
| | 220,624,037 | 191,791,677 |
| Total | 314,901,481 | 278,861,033 |

Notes forming part of the Financial Statements for the year ended March 31, 2017

5. Long Term Borrowings - Secured

| | Non-current | | Current | |
|--|--------------------|--------------------|------------------|------------------|
| | 31.03.2017 | 31.03.2016 | 31.03.2017 | 31.03.2016 |
| | ₹ | ₹ | ₹ | ₹ |
| Term Loans | | | | |
| From Others (Refer Note No (ii) below) | 198,897,566 | 207,710,154 | 9,437,872 | 7,346,180 |
| Total | 198,897,566 | 207,710,154 | 9,437,872 | 7,346,180 |

(i) Current maturities of Long Term Borrowings have been disclosed under the head "Other Current Liabilities" (Refer Note No. 9)

(ii) Term Loans from Others

Term loan from Others carries interest at a variable rate based on the lender Retail Prime Lending Rate (RPLR), of 13.90% p.a and is repayable in 180 instalments from date of loan viz., April 28, 2013. Presently, the loan carries rate of interest of 13.65%. The loan is secured by pledge of Gati Ltd Shares 650,000 investments of the Company, personal guarantee of a director, pledge of property and Investments of a director and pledge of third party investments property.

6 Long Term Provisions

| | March 31, 2017 | March 31, 2016 |
|--|------------------|------------------|
| | ₹ | ₹ |
| Provision for Employee Benefits: | | |
| (i) Provision for Compensated Absences | 335,520 | 298,214 |
| Provision - Others: | | |
| (i) Contingent Provision against Standard Assets | 1,218,000 | 1,216,000 |
| Total | 1,553,520 | 1,514,214 |

7 Short Term Borrowings

| | March 31, 2017 | March 31, 2016 |
|---------------------------------------|--------------------|--------------------|
| | ₹ | ₹ |
| Secured: | | |
| From Others (Refer Note No 7.1 below) | 245,000,000 | 247,500,000 |
| Unsecured: | | |
| From Director | 9,300,000 | - |
| From Others | 77,500,000 | 127,500,000 |
| Total | 331,800,000 | 375,000,000 |

7.1 The details of the security are as below:

| Name of the lender | Security - Pledge of Gati Limited Shares |
|--|--|
| SKS Fin Cap Private Limited | 1,796,900 |
| Anand Rathi Global Finance Limited | 2,057,000 |
| Godavari Commercial Services Private Limited | 1,100,000 |

8 Trade Payables

| | March 31, 2017 | March 31, 2016 |
|--|------------------|------------------|
| | ₹ | ₹ |
| Trade Payables other than Acceptances (Refer Note No. 8.1 below) | | |
| (A) Micro, Small, Medium Enterprises (MSMEs) | - | - |
| (B) Other than MSMEs | 2,949,885 | 1,010,573 |
| Total | 2,949,885 | 1,010,573 |

8.1 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Trade payable other than acceptances include certain dues to Micro and Small Enterprises, under the Micro, Small and Medium Enterprises Development Act, 2006 that have been determined based on the information available with the company and the required disclosures are given below:

| | As At March 31, 2017 | As At March 31, 2016 |
|--|----------------------|----------------------|
| a) Principal amount remaining unpaid | Nil | Nil |
| b) Interest due thereon | Nil | Nil |
| c) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of payments made to the supplier beyond the appointed day during the year | Nil | Nil |
| d) Interest due and payable for the period of delay in making payment (which have been paid but beyond the day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006. | Nil | Nil |
| e) Interest accrued and remaining unpaid | Nil | Nil |
| f) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises. | Nil | Nil |

9 Other Current Liabilities

| | March 31, 2017 | March 31, 2016 |
|---|-------------------|-------------------|
| | ₹ | ₹ |
| Current Maturities of Long Term Borrowings (Refer Note No. 5) | 9,437,872 | 7,346,180 |
| Interest Accrued and Not Due | 10,736,235 | 4,801,201 |
| Interest Accrued Due | 2,369,816 | - |
| Other Payables | | |
| (i) Statutory Payables | 2,024,991 | 1,371,830 |
| (ii) Security Deposits | 127,457 | 186,666 |
| (iii) Others (Refer Note No 9.1) | 796,702 | 337,870 |
| Total | 25,493,073 | 14,043,747 |

9.1 Includes ₹ 2,94,652/- (Previous year: ₹ 1,22,684/-) payable towards Managerial Remuneration.

10 Short Term Provisions

| | March 31, 2017 | March 31, 2016 |
|------------------------------------|----------------|----------------|
| | ₹ | ₹ |
| Provision for Employee Benefits: | | |
| Provision for Compensated Absences | 9,990 | 7,912 |
| Total | 9,990 | 7,912 |

Notes forming part of the Financial Statements for the year ended March 31, 2017
11 Fixed Assets

₹

| Sl No | PARTICULARS | GROSS BLOCK (At Cost) | | | DEPRECIATION / AMORTISATION | | | | NET BLOCK | | |
|----------|--------------------------|-----------------------|-----------|-----------|-----------------------------|-----------------|--------------|-----------|-----------------|------------------|------------------|
| | | As At 01.04.2016 | Additions | Deletions | As At 31.03.2017 | Upto 01.04.2016 | For the year | Deletions | Upto 31.03.2017 | As at 31.03.2017 | As At 31.03.2016 |
| A | TANGIBLE ASSETS | | | | | | | | | | |
| i | Owned Assets | | | | | | | | | | |
| 1 | Land - Freehold | 3,522,514 | - | - | 3,522,514 | - | - | - | - | 3,522,514 | 3,522,514 |
| 2 | Buildings | 3,720,771 | - | 2,118,771 | 1,602,000 | 1,064,860 | 44,641 | 556,084 | 553,417 | 1,048,583 | 2,655,911 |
| 3 | Furniture and Fixtures | 1,100,000 | - | 1,100,000 | - | 1,045,000 | - | 1,045,000 | - | - | 55,000 |
| 4 | Plant and Machinery | 6,802 | - | - | 6,802 | 6,802 | - | - | 6,802 | - | - |
| 5 | Vehicles | 1,170,599 | - | - | 1,170,599 | 192,962 | 185,345 | - | 378,307 | 792,292 | 977,637 |
| 6 | Computer | 187,130 | - | - | 187,130 | 109,494 | 46,591 | - | 156,085 | 31,045 | 77,636 |
| | Total Tangible Assets | 9,707,816 | - | 3,218,771 | 6,489,045 | 2,419,118 | 276,577 | 1,601,084 | 1,094,611 | 5,394,434 | 7,288,698 |
| | Previous Year | 10,027,871 | - | 320,055 | 9,707,816 | 2,164,012 | 291,686 | 36,580 | 2,419,118 | 7,288,698 | 7,863,859 |
| B | INTANGIBLE ASSETS | | | | | | | | | | |
| 1 | Computer Software | 33,038 | - | - | 33,038 | 31,394 | - | - | 31,394 | 1,644 | 1,644 |
| | Total Intangible Assets | 33,038 | - | - | 33,038 | 31,394 | - | - | 31,394 | 1,644 | 1,644 |
| | Previous Year | 33,038 | - | - | 33,038 | 16,828 | - | 14,566 | 31,394 | 1,644 | 16,210 |

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C Depreciation / Amortisation charged to Statement of Profit and Loss

| | 2016-17 | 2015-16 |
|-------------------|----------------|----------------|
| | ₹ | ₹ |
| Tangible Assets | 276,577 | 291,686 |
| Intangible Assets | - | - |
| Total | 276,577 | 291,686 |

12 Non Current Investments
NON TRADE INVESTMENTS (AT COST)

₹

| NAME OF THE COMPANY | March 31, 2017 | | | March 31, 2016 | | |
|--|----------------|------------|----------------------|----------------|------------|--------------------|
| | No. of shares | Face value | Amount | No. of shares | Face value | Amount |
| A EQUITY SHARES (QUOTED) | | | | | | |
| Gati Limited (Refer Note No. 12.1, 12.2 and 12.3) | 8,103,205 | 2 | 90,456,661 | 8,103,205 | 2 | 90,456,661 |
| TCI Industries Limited | 30,236 | 10 | 2,128,390 | 30,236 | 10 | 2,128,390 |
| Karnataka Bank Limited | 7,860 | 10 | 623,100 | 4,860 | 10 | 413,100 |
| ATI Limited | 10,000 | 10 | 200,000 | 10,000 | 10 | 200,000 |
| Less: Provision for decline, other than temporary, in the value of long term investments | | | (86,206) | | | (86,206) |
| Net | | | 113,794 | | | 113,794 |
| Lloyds Finance Limited | 4,200 | 10 | 2,310 | 4,200 | 10 | 2,310 |
| Tech Mahindra Limited | 400 | 5 | 173,612 | 400 | 5 | 173,612 |
| Total | | | 93,497,867 | | | 93,287,867 |
| B EQUITY SHARES (UNQUOTED) | | | | | | |
| Gati Intellect Systems Limited | 1,000 | 100 | 100,000 | 1,000 | 100 | 100,000 |
| Coast-To-Coast Shipping Limited | 9,500 | 10 | 95,000 | 9,500 | 10 | 95,000 |
| TCI Hi-Ways Private Limited | 27,451 | 10 | 274,510 | 27,451 | 10 | 274,510 |
| Giri Roadlines and Commercial Trading Private Limited | 42,000 | 100 | 157,527 | 42,000 | 100 | 157,527 |
| Amrit Jal Ventures Private Limited (Refer Note No. 12.4) | 15,014,100 | 10 | 150,000,000 | 15,014,100 | 10 | 150,000,000 |
| Bangalore Stock Exchange Limited | 32,500 | 1 | 30,000 | 32,500 | 1 | 30,000 |
| ITAG Infrastructure Limited | 5,000 | 10 | 50,000 | 5,000 | 10 | 50,000 |
| Total | | | 150,707,037 | | | 150,707,037 |
| C SUBSIDIARY - EQUITY SHARES (UNQUOTED) | | | | | | |
| ITAG Business Solutions Limited | 1,250,000 | 10 | 12,500,000 | 1,250,000 | 10 | 12,500,000 |
| Total | | | 12,500,000 | | | 12,500,000 |
| D PREFERENCE SHARES (UNQUOTED) | | | | | | |
| Capital Fortunes Limited | 350,000 | 10 | 3,500,000 | 350,000 | 10 | 3,500,000 |
| 8% Non Cumulative 15 Year Redeemable | | | | | | |
| Total | | | 3,500,000 | | | 3,500,000 |
| E DEBENTURES (OPTIONALLY CONVERTIBLE) (UNQUOTED) | | | | | | |
| 14.50% - Amrit Jal Ventures Private Limited (Refer Note No. 12.4) | 2,349,281 | 100 | 234,928,100 | 2,349,281 | 100 | 234,928,100 |
| Total | | | 234,928,100 | | | 234,928,100 |
| Grand Total | | | 495,133,004 | | | 494,923,004 |
| Book Value of Quoted Investments | | | 93,497,867 | | | 93,287,867 |
| Market Value of Quoted Investments (Refer Note No. 12.5) | | | 1,195,135,870 | | | 921,445,366 |

12.1. 4,603,900 (March 31, 2016: 5,615,246) Equity Shares pledged with lenders as security for Long and Short Term Borrowings (Refer Note No.5 (ii) and 7.1), 805,000 (Previous year: 805,000) (Shares pledged with IFCI Venture capital limited towards loan availed by M/s Amrit Jal Ventures Private Limited and Nil (Previous year : 1,580,000) shares pledged with IDFC Bank Limited for loan availed by Gati Infrastructure Private Limited.)

12.2. During the previous year, the Company took a loan of Rs.5 Crores from Godavari Commercial Services Private Limited (Godavari) on the security of 10 Lakh equity shares of Gati Limited and at the request of Godavari the said shares were pledged with a third party. The said shares were invoked by the third party on default by Godavari without there being any default by the Company. The Company took necessary legal recourse for restoration of the pledged shares and in terms of the settlement arrived at, Godavari agreed to restore the said invoked shares. In view of the above, the said 10 Lakh equity shares in Gati Limited have been continued to be disclosed as long term investments.

12.3. During the previous year, the Company has pledged 15.80 Lakh shares of Gati Limited in favour of IDFC Bank Limited (IDFC) for facilities availed by M/s Gati Infrastructure Private Limited (GIPL) on receipt of Letter of Comfort from M/s Amrit Jal Ventures Private Limited (AJVPL) being the holding company of GIPL. The said shares were invoked by IDFC due to default made by GIPL. As per the Letter of Comfort from AJVPL, it would restore such invoked shares to the Company. The company has taken necessary legal recourse for the restoration of the invoked shares. In view of the above, the invoked 15.80 Lakh equity shares in Gati Limited have been continued to be disclosed as long term investments.

12.4. Amrit Jal Ventures Private Limited (AJVPL), through its SPV's is executing three power projects aggregating to 243 MW in Sikkim which are under various stages of construction and completion. Considering the stage of the projects and also the development towards entering into Power Purchase Agreement for 110MW Chuzhachen Project with State Discoms which is at the final stage, any diminution in the value of investment in AJVPL is temporary and no provision is considered necessary by the management.

12.5 Book value has been taken in the absence of Stock Exchange quotations

Notes forming part of the Financial Statements for the year ended March 31, 2017

13 Long Term Loans and Advances - Unsecured, considered good

| | March 31, 2017 | March 31, 2016 |
|--|------------------|-------------------|
| | ₹ | ₹ |
| Advance Tax (Net of provision of ₹ 26,767,890/- and Previous year ₹ 19,707,890) | 8,382,724 | 11,760,397 |
| Total | 8,382,724 | 11,760,397 |

14 Cash and Cash Equivalents

| | March 31, 2017 | March 31, 2016 |
|---------------------|------------------|----------------|
| | ₹ | ₹ |
| Balances with Banks | | |
| In Current Accounts | 1,951,387 | 953,443 |
| Cash on hand | 1,140 | 11,209 |
| Total | 1,952,527 | 964,652 |

15 Short Term Loans and Advances - Unsecured, considered good

| | March 31, 2017 | March 31, 2016 |
|--|--------------------|--------------------|
| | ₹ | ₹ |
| Inter corporate Loans (Refer Note No.22.3) | 451,591,028 | 473,750,000 |
| Other Advances recoverable in cash or kind | 610,000 | 211,367 |
| Total | 452,201,028 | 473,961,367 |

16 Other Current Assets

| | March 31, 2017 | March 31, 2016 |
|---|-------------------|-------------------|
| | ₹ | ₹ |
| Interest accrued on Debentures | 17,470,725 | 17,554,721 |
| Interest accrued on Short Term Loans and Advances | 35,217,469 | 12,495,196 |
| Other Receivables | 1,152,621 | 923,220 |
| Total | 53,840,815 | 30,973,137 |

17 Revenue from Operations

| | 2016-17 | 2015-16 |
|---|--------------------|--------------------|
| | ₹ | ₹ |
| Interest Income (Refer Note No. 17.1) | 111,555,365 | 99,405,901 |
| Other Operating Revenue (Refer Note No. 17.2) | 10,684,737 | 13,144,447 |
| Total | 122,240,102 | 112,550,348 |

17.1 Interest Income

| | 2016-17 | 2015-16 |
|-------------------------|--------------------|-------------------|
| | ₹ | ₹ |
| Interest Income from: | | |
| (i) Banks | 2,740 | 3,912 |
| (ii) Loans and Advances | 77,488,040 | 65,337,403 |
| (iii) Investments | 34,064,585 | 34,064,586 |
| Total | 111,555,365 | 99,405,901 |

17.2 Other Operating Revenue

| | 2016-17 | 2015-16 |
|--|-------------------|-------------------|
| | ₹ | ₹ |
| Upfront Fee / Guarantee Commission | 2,156,727 | 1,567,990 |
| Profit on sale of Long Term Investments | - | 4,662,916 |
| Dividend income from Long Term Investments | 8,528,010 | 6,913,541 |
| Total | 10,684,737 | 13,144,447 |

18 Other Income

| | 2016-17 | 2015-16 |
|--|-------------------|------------------|
| | ₹ | ₹ |
| Rental Income | 264,000 | 264,000 |
| Other Non-Operating Income (Refer Note No. 18.1) | 18,450,063 | 1,816,525 |
| Total | 18,714,063 | 2,080,525 |

18.1 Other Non-Operating Income

| | 2016-17 | 2015-16 |
|---|-------------------|------------------|
| | ₹ | ₹ |
| Profit on sale of Fixed Assets | 9,382,313 | 1,816,525 |
| Liabilities no longer required written back | 94,254 | - |
| Miscellaneous income | 7,604,121 | - |
| Interest on IT Refund | 1,369,375 | - |
| Total | 18,450,063 | 1,816,525 |

19 Employee Benefits Expense

| | 2016-17 | 2015-16 |
|--|------------------|------------------|
| | ₹ | ₹ |
| Salaries and wages | 7,527,369 | 7,333,973 |
| Contributions to provident and other funds (Refer Note No. 19.1) | 305,156 | 303,282 |
| Staff welfare expenses | 40,664 | - |
| Total | 7,873,189 | 7,637,255 |

19.1 Employee Benefit Plans**a. Defined contribution plans**

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 197,155/- (As at March 31, 2016 ₹ 195,282/-) for Provident Fund contributions and ₹ 108,000/- (As at March 31, 2016 ₹ 108,000/-) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

b. Defined benefit plans

Consequent to the application of Accounting Standard (AS) 15 "Employee Benefits" all employee benefits have been determined in accordance with the Standard. The gratuity liability as per Actuarial Valuation has been deposited with the group gratuity Fund before March 31, 2017.

Notes forming part of the Financial Statements for the year ended March 31, 2017

| Particulars | March 31, 2017 | March 31, 2016 |
|---|---------------------|---------------------|
| | ₹ | ₹ |
| | Gratuity (Funded) | Gratuity (Funded) |
| Present Value of Defined Benefit Obligation | 1,834,856 | 1,723,297 |
| Fair Value of Plan Assets | 1,869,093 | 1,733,929 |
| Funded Status [Surplus/(Deficit)] | 34,237 | 10,632 |
| Net Asset / (Liability) recognized in the Balance Sheet | - | - |
| Present Value of DBO at the beginning of the year | 1,723,297 | 1,479,588 |
| Current Service Cost | 71,136 | 76,747 |
| Interest Cost | 134,417 | 115,408 |
| Actuarial Losses / (Gains) | (93,994) | 51,554 |
| Benefits paid | - | - |
| Present Value of DBO at the end of the year | 1,834,856 | 1,723,297 |
| Plan Assets at the beginning of the year | 1,733,929 | 1,582,979 |
| Expected Return on Plan Assets | 138,714 | 126,638 |
| Actuarial Gain / (Loss) | (3,550) | 24,312 |
| Benefits Paid | - | - |
| Plan Assets at the end of the year | 1,869,093 | 1,733,929 |
| Current Service Cost | 71,136 | 76,747 |
| Interest Cost | 134,417 | 115,408 |
| Expected Return on Plan Assets | (138,714) | (126,638) |
| Actuarial Loss / (Gains) | (90,444) | 27,242 |
| Expense recognized in the Statement of Profit and Loss | (23,605) | 92,759 |
| Actual Benefit Payments | - | - |
| Experience History | | |
| (1) Defined Benefit Obligation at end of the period | 1,834,856 | 1,723,297 |
| (2) Plan Assets at end of the period | 1,869,093 | 1,733,929 |
| (3) Surplus / (Deficit) | 34,237 | 10,632 |
| (4) Experience (Gain) / Loss adjustments on plan liabilities | (142,602) | 51,554 |
| (5) Experience Gain / (Loss) adjustments on plan assets | (3,550) | 24,312 |
| Division of Defined Benefit Obligation (Current / Non-Current) | | |
| (1) Current Defined Benefit Obligation at end of the period | 42,372 | 42,154 |
| (2) Non-Current Defined Benefit Obligation at end of the period | 1,792,484 | 1,681,143 |
| (3) Total Defined Benefit Obligation at end of the period | 1,834,856 | 1,723,297 |
| Best Estimate of Contribution During Next year | - | - |
| Assumptions | | |
| Discount Rate % | 7.25% | 7.80% |
| Expected Return on Plan Assets % | 8.00% | 8.00% |
| Salary Escalation % | 6.00% | 6.00% |
| Mortality | IALM 06-08 Ultimate | IALM 06-08 Ultimate |
| Attrition rate | 2.00% | 2.00% |
| The major categories of plan assets as a percentage of total plan - Funded with LIC | 72.20% | 77.82% |

As a matter of prudence, the balance of fund of ₹ 34,237/- (Previous Year : ₹ 10,632/-) of planned assets over gratuity liability is not recognised.

20 Finance Costs

| | 2016-17 | 2015-16 |
|-----------------------|-------------------|-------------------|
| | ₹ | ₹ |
| Interest expense on: | | |
| Term Loans | 83,866,298 | 77,669,116 |
| Other borrowing costs | 1,690,771 | 2,723,018 |
| Total | 85,557,069 | 80,392,134 |

21 Other Expenses

| | 2016-17 | 2015-16 |
|--|------------------|------------------|
| | ₹ | ₹ |
| Rates and taxes | 52,038 | 34,834 |
| Service tax and Cess paid | 17,055 | 180,146 |
| Travelling and conveyance | 355,707 | 265,870 |
| Printing and stationery | 269,956 | 258,166 |
| Legal and professional | 1,186,070 | 660,904 |
| Rent Paid | 235,200 | 235,200 |
| Auditors' Remuneration (Refer Note No. 21.1) | 247,250 | 251,493 |
| Listing Fee and Demat charges | 611,500 | 482,803 |
| CSR Expenses | 800,000 | - |
| Miscellaneous | 794,712 | 738,317 |
| Total | 4,569,488 | 3,107,733 |

21.1 Auditors' Remuneration

| | 2016-17 | 2015-16 |
|-----------------|----------------|----------------|
| | ₹ | ₹ |
| Fee towards | | |
| Statutory Audit | 125,000 | 125,000 |
| Limited Review | 90,000 | 90,000 |
| Certification | - | 5,000 |
| Service Tax | 32,250 | 31,493 |
| Total | 247,250 | 251,493 |

Notes forming part of the Financial Statements for the year ended March 31, 2017

22 Additional information to the Financial Statements

| 22.1 | Contingent liabilities and commitments (to the extent not provided for) | March 31, 2017 | March 31, 2016 |
|------|---|----------------|----------------|
| | | ₹ | ₹ |
| | Contingent liabilities | | |
| | (a) Disputed Sales Tax demand | 63,661 | 63,661 |
| | (b) Corporate Guarantees | 2,867,729,656 | 2,557,166,935 |
| | The Company has provided Guarantee for A) redemption / buyback of the Optionally convertible Debentures subscribed by IFCI Venture Capital Funds Limited in Amrit Jal Ventures Private Limited, B) To the lenders of Gati Infrastructure Bhasmey Power Private Limited and C) Pledge of Gati Ltd shares held by the Company to IFCI Venture Capital Funds Limited for loan availed by Amrit Jal Ventures Private Limited. | | |

22.2 Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges

Loans and advances in the nature of loans given to subsidiaries, associates and others and investment in shares of the Company by such parties:

| Name of the party | Relationship | Amount outstanding as at March 31, 2017 | Maximum balance outstanding during the year |
|---------------------------------|--------------|---|---|
| | | ₹ | ₹ |
| ITAG Business Solutions Limited | Subsidiary | - | - |
| | | - | (1,000,000) |

Note: Figures in bracket relate to the previous year.

22.3 Inter-Company loans/deposits given by the Company are on the basis that one of the main objects of the Company is to lend and is categorised as Loan Company. Accordingly, the Company has been advised that Section 186 of the Companies Act, 2013 is not applicable to the Company.

22.4 The Provision for standard assets and Non Performing Assets during the year is as below:

| Particulars | March 31, 2017 | March 31, 2016 |
|-------------------------------|----------------|----------------|
| | ₹ | ₹ |
| Provision for Standard Assets | 2,000 | 321,000 |
| Total | 2,000 | 321,000 |

23 Other Disclosures under Accounting Standards

| 23.1 | | 2016-17 | 2015-16 |
|------|---|-------------|-------------|
| | | ₹ | ₹ |
| | Earnings per share | | |
| | Net profit for the year attributable to the equity shareholders (₹) | 36,040,448 | 19,814,557 |
| | Weighted average number of equity shares | 12,872,493 | 12,872,493 |
| | Face value per share (₹) | 10 | 10 |
| | Earnings per share - Basic and Diluted (₹) | 2.80 | 1.54 |

Notes forming part of the Financial Statements for the year ended March 31, 2017

| | | 2016-17 | 2015-16 |
|-------------|--|----------------|----------------|
| | | ₹ | ₹ |
| 23.2 | Deferred Tax (Liability) / Asset | | |
| | Tax effect of items constituting deferred tax liability : | | |
| | On difference between book balance and tax balance of fixed assets | - | 137,961 |
| | Tax effect of items constituting deferred tax liability | - | 137,961 |
| | Tax effect of items constituting deferred tax assets : | | |
| | On difference between book balance and tax balance of fixed assets | 286,027 | |
| | Provision for Standard assets | 376,362 | 375,744 |
| | Tax effect of items constituting deferred tax assets | 662,389 | 375,744 |
| | Net Deferred Tax - Asset /(Liability) | 662,389 | 237,783 |

24 Disclosures under Accounting Standards (contd.)

24.1 Related party transactions (Disclosures as required by AS 18 - Related Party Dsiclosures)

Details of related parties:

| Description of relationship | Names of related parties |
|--|---------------------------------|
| Subsidiary | ITAG Business Solutions Limited |
| Key Managerial Personnel (KMP) (Para 3 of AS 18) | |
| Manager | Mr. Ramesh Sivaraman |

Note: Related parties have been identified by the Management.

24.2 Details of related party transactions during the period ended March 31, 2017 and balances outstanding as at March 31, 2017 :

| Particulars | Subsidiaries | KMP | Total |
|-------------------------------------|--------------|-------------|-------------|
| Transactions during the year | | | |
| Advance Recovered | - | - | - |
| | (1,000,000) | (625,000) | (1,625,000) |
| Managerial Remuneration | | | |
| Manager | - | 3,366,164 | 3,366,164 |
| | (-) | (3,740,576) | (3,740,576) |
| Balances at the year end | | | |
| Other current liabilities - Others | | | |
| Managerial Remuneration Payable | - | 294,652 | 294,652 |
| | (-) | (122,684) | (122,684) |

Note: Figures in bracket relates to the previous year

Notes forming part of the Financial Statements for the year ended March 31, 2017

25 Schedule to the Balance sheet of a Non Banking Financial Company (as required in terms of paragraph 18 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Master Directions 2016) :

₹

| Particulars | | Amount outstanding | Amount Overdue |
|-------------|--|--------------------|---------------------------|
| 25.1 | Liabilities Side: | | |
| | Loans and advances availed by the Non- Banking Financial Company inclusive of interest accrued thereon but not paid: | | |
| | a. Term Loans | 208,335,438 | - |
| | b. Inter Corporate loans and borrowings \$ | 342,536,235 | 2,369,816 |
| | Total | 550,871,673 | 2,369,816 |
| 25.2 | Assets Side: | | |
| | Break-up of Loans and Advances including bills receivables (Other than those included in (4) below:) | | Amount outstanding |
| | a. Secured | | - |
| | b. Unsecured# | | 486,808,497 |
| 25.3 | Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities: | | |
| | (i) Lease assets including lease rentals under sundry debtors: | | |
| | a. Financial Lease | | - |
| | b. Operating Lease | | - |
| | (ii) Stock on hire including hire charges under Sundry Debtors: | | |
| | a. Assets on hire | | - |
| | b. Repossessed Assets | | - |
| | (iii) Other Loans Counting towards AFC Activities | | |
| | a. Loans where assets have been repossessed | | - |
| | b. Loans other than (a) above | | - |
| 25.4 | Break up of Investments: | | |
| | Current Investments | | - |
| | Long Term Investments: | | |
| | 1. Quoted: | | |
| | (i) Equity Shares ** | | 93,497,867 |
| | (ii) Debentures and Bonds | | - |
| | 2. Un Quoted: | | |
| | (i) Equity Shares | | 163,207,037 |
| | (ii) Preference | | 3,500,000 |
| | (iii) Debentures and Bonds | | 252,398,825* |

\$ includes ₹ 10,736,235/- interest accrued but not due on Secured and Unsecured short term borrowings and ₹ 9,300,000/- Loan from Director

includes ₹ 35,217,469/- towards Interest accrued on Inter Corporate Advances.

** Refer Note No 12.2 and 12.3

* includes ₹ 17,470,725/- towards Interest accrued on Investments

Notes forming part of the Financial Statements for the year ended March 31, 2017

25.5 Borrower group-wise classification of assets financed as in 25.2 and 25.3 above:

₹

| | Category | Amount net of provisions | | |
|--|---------------------------------|--------------------------|--------------------|--------------------|
| | | Secured | Unsecured | Total |
| | 1. Related Parties | | | |
| | (a) Subsidiaries | - | - | - |
| | (b) Companies in the same Group | - | - | - |
| | 2. Other than Related parties | - | 485,590,497 | 485,590,497 |
| | Total | - | 485,590,497 | 485,590,497 |

25.6 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

₹

| | Category | Market Value/Breakup or Fair value or NAV | Book Value (Net of Provisions) |
|--|---------------------------------|---|--------------------------------|
| | | | |
| | 1. Related parties | | |
| | (a) Subsidiaries | 12,500,000 | 12,500,000 |
| | (b) Companies in the same Group | 1,193,729,382 | 92,585,051 |
| | (c) Other Related parties | - | - |
| | 2. Other than related parties | 408,012,350* | 407,518,678* |
| | Total | 1,614,241,732 | 512,603,729 |

* includes ₹ 17,470,725/- towards Interest accrued on Investments

25.7 Other Information

₹

| Particulars | | |
|---|--|---|
| (i) Gross Non-Performing assets | | - |
| (a) Related parties | | - |
| (b) Other than related parties | | - |
| (ii) Net Non-Performing assets | | - |
| (a) Related parties | | - |
| (b) Other than related parties | | - |
| (iii) Assets acquired in satisfaction of debt | | - |

26 During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below:

| Particulars | SBN's | Other denomination notes | Total (₹) |
|--|--------|-----------------------------|-----------|
| Closing cash in hand as on November 08, 2016 | 500*20 | 100*3, 20*3, 10*3 & coins 7 | 10,397.00 |
| (+) Permitted receipts | | 2000*5 | 10,000.00 |
| (-) Permitted payments | | | 2,143.00 |
| (-) Amount deposited in Banks | 500*20 | | 10,000.00 |
| Closing cash in hand as on December 30, 2016 | | | 8,254.00 |

27 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Signature to note 1 to 27

Hemant Kaul
Chairman
DIN No : 00551588

S M Jalan
Director
DIN No : 00324182

Lakshmi Sharma
Company Secretary
M.No: A32617

Ramesh Sivaraman
Manager - Chief Executive

INDEPENDENT AUDITORS' REPORT

To
**The Members of
TCI FINANCE LIMITED**

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of TCI FINANCE LIMITED (the "Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") comprising the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (herein referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in the terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the group and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2017, their consolidated profit and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
 - (d) In our opinion, the aforesaid Consolidated Financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and its subsidiary company incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our Report in "Annexure A".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 22.1 to the Consolidated Financial Statements.
 - ii. The Group did not have any material foreseeable losses relating to long-term contracts including derivative contracts.
 - iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosure in its Consolidated Financial statements as to holding as well as dealing in specified Band Notes during the period from November 08, 2016 to December 30, 2016 and These are in accordance with the books of account maintained by the Company.

for M. Bhaskara Rao & Co.
Chartered Accountants
Firm Registration No. 000459 S

P. Swathi
Partner
Membership No. 513946

Hyderabad, May 2, 2017

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of TCI Finance Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its Subsidiary company which is incorporated in india are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls over Financial Reporting" issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the "Guidance Note on Audit of Internal Financial Controls over Financial Reporting" (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk whether a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its Subsidiary Company which is incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for **M. Bhaskara Rao & Co.**
Chartered Accountants
Firm Registration No. 000459 S

P. Swathi
Partner
Membership No.513946

Hyderabad, May 2, 2017

TCI FINANCE LIMITED
Consolidated Balance Sheet as at March 31, 2017

| Particulars | Note No. | As at March 31, 2017 | As at March 31, 2016 |
|---|----------|-------------------------|-------------------------|
| EQUITY AND LIABILITIES | | ₹ | ₹ |
| Shareholders' Funds | | | |
| (a) Share Capital | 3 | 141,963,050 | 141,963,050 |
| (b) Reserves and Surplus | 4 | 307,986,229 | 271,561,144 |
| | | 449,949,279 | 413,524,194 |
| Non-Current Liabilities | | | |
| (a) Long Term Borrowings | 5 | 198,897,566 | 207,710,154 |
| (b) Long Term Provisions | 6 | 1,712,121 | 1,655,872 |
| | | 200,609,687 | 209,366,026 |
| Current Liabilities | | | |
| (a) Short Term Borrowings | 5A | 331,800,000 | 375,000,000 |
| (b) Trade Payables | 7 | | |
| (A) Micro, Small, Medium Enterprises (MSMEs) | | - | - |
| (B) Other than MSMEs | | 4,276,670 | 1,747,530 |
| (c) Other Current Liabilities | 8 | 26,208,556 | 14,669,438 |
| (d) Short Term Provisions | 9 | 16,896 | 8,938 |
| | | 362,302,122 | 391,425,906 |
| TOTAL | | 1,012,861,089 | 1,014,316,126 |
| ASSETS | | | |
| Non-Current Assets | | | |
| (a) Fixed Assets | | | |
| (i) Tangible Assets | 10A | 6,083,933 | 8,114,469 |
| (ii) Intangible Assets | 10B | 1,644 | 1,644 |
| (b) Non-Current Investments | 11 | 482,633,004 | 482,423,004 |
| (c) Deferred Tax Assets (Net) | 23.4 | 799,562 | 326,349 |
| (d) Long Term Loans and Advances | 12 | 8,836,623 | 12,235,076 |
| | | 498,354,766 | 503,100,542 |
| Current Assets | | | |
| (a) Trade Receivables | 13 | 3,840,694 | 2,890,157 |
| (b) Cash and Cash Equivalents | 14 | 3,824,196 | 2,962,302 |
| (c) Short Term Loans and Advances | 15 | 452,967,053 | 474,345,705 |
| (d) Other Current Assets | 16 | 53,874,380 | 31,017,420 |
| | | 514,506,323 | 511,215,584 |
| TOTAL | | 1,012,861,089 | 1,014,316,126 |
| Corporate Information and Significant Accounting Policies | 1 & 2 | | |

Accompanying notes form an integral part of the Financial Statements

As per our report of even date attached.

For M.Bhaskara Rao & Co.

Chartered Accountants

P. Swathi
Partner

Hyderabad, May 02, 2017

For and on behalf of the Board

Hemant Kaul
Chairman
DIN No : 00551588

Lakshmi Sharma
Company Secretary
M.No:A32617

S M Jalan

Director
DIN No : 00324182

Ramesh Sivaraman
Manager - Chief Executive

Consolidated Statement of Profit and Loss for the year ended March 31, 2017

| Particulars | Note No. | 2016-17 | 2015-16 |
|---|----------|--------------------|--------------------|
| | | ₹ | ₹ |
| Continuing Operations : | | | |
| Income | | | |
| Revenue from Operations | 17 | 136,638,226 | 126,436,716 |
| Other Income | 18 | 18,751,441 | 2,465,144 |
| Total Revenue | | 155,389,667 | 128,901,860 |
| Expenses | | | |
| (a) Employee Benefits Expense | 19 | 10,447,320 | 10,223,241 |
| (b) Finance Costs | 20 | 85,557,069 | 80,400,167 |
| (c) Depreciation and Amortisation | 10C | 622,801 | 725,689 |
| (d) Other Expenses | 21 | 15,670,574 | 14,827,233 |
| (e) Provision for Standard Assets / Non-Performing Assets | 22.3 | 2,000 | 321,000 |
| Total Expenses | | 112,299,764 | 106,497,330 |
| Profit Before Exceptional Item and Tax | | 43,089,903 | 22,404,530 |
| Profit Before Tax | | 43,089,903 | 22,404,530 |
| Tax Expense: | | | |
| (a) Current Tax | | 7,138,030 | 3,200,000 |
| (b) Deferred Tax | | (473,213) | (168,209) |
| | | 6,664,817 | 3,031,791 |
| Profit After Tax | | 36,425,086 | 19,372,739 |
| Earnings per Equity Share of ₹ 10/- each | | | |
| Basic and Diluted | | | |
| (i) Continuing Operations | 23.3 | 2.83 | 1.50 |
| (ii) Total Operations | 23.3 | 2.83 | 1.50 |
| Corporate Information and Significant Accounting Policies | 1 & 2 | | |

Accompanying notes form an integral part of the Financial Statements

As per our report of even date attached.

For M.Bhaskara Rao & Co.

Chartered Accountants

P. Swathi
Partner

Hyderabad, May 02, 2017

Hemant Kaul
Chairman
DIN No : 00551588

Lakshmi Sharma
Company Secretary
M.No: A32617

For and on behalf of the Board

S M Jalan
Director
DIN No : 00324182

Ramesh Sivaraman
Manager - Chief Executive

TCI FINANCE LIMITED

Consolidated Cash Flow Statement for the year ended March 31, 2017

| | 2016-17 | 2015-16 |
|--|---------------------|----------------------|
| | ₹ | ₹ |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net profit before tax and extra ordinary items | 43,089,903 | 22,404,530 |
| Adjustments for: | | |
| Depreciation and Amortisation | 622,801 | 725,689 |
| Profit on sale of Fixed Assets | (9,382,313) | (1,816,525) |
| Profit on sale of Long Term Investments | - | (4,662,916) |
| Dividend received (Long term Investments) | (8,528,010) | (6,913,541) |
| Liabilities / Provisions no longer required Written Back | - | 87,620 |
| Interest Income | 73,795 | 180,335 |
| Sundry Debtors Written Off | 297,160 | 334,358 |
| | 26,173,337 | 10,339,550 |
| Changes in Working Capital: | | |
| Adjustments for (increase) / decrease in Operating Assets: | | |
| Trade Receivables | (1,247,697) | (30,915) |
| Short Term Loans and Advances | (780,320) | 264,765 |
| Other Current Assets | (22,840,494) | (6,325,286) |
| Other Non-Current Assets | - | 120,265 |
| Adjustments for increase / (decrease) in operating liabilities: | | |
| Trade Payables | 2,529,138 | 86,462 |
| Other Current Liabilities | 9,447,426 | 5,200,288 |
| Short Term Provisions | 3,714 | (3,334) |
| Long Term Provisions | 60,493 | 227,524 |
| Cash used in Operations | 13,345,596 | 9,879,320 |
| Net Income Tax Paid | (3,756,042) | (18,221,691) |
| Net Cash from / (used in) Operations | 9,589,554 | (8,342,372) |
| Loans (Disbursed) / Repaid (Net) | 22,158,972 | (118,750,000) |
| Net Cash from / (used in) Operating Activities (A) | 31,748,526 | (127,092,372) |
| B. Cash Flow from Investing Activities | | |
| Proceeds from Sale of Fixed Assets | 11,000,000 | 2,100,000 |
| Purchase of Fixed Assets | (209,952) | (205,215) |
| Sale of Long Term Investments | (210,000) | 5,044,233 |
| Interest Received - Others | (73,795) | (180,335) |
| Dividend received (Long term Investments) | 8,528,010 | 6,913,541 |
| Net cash from / (used in) Investing Activities (B) | 19,034,263 | 13,672,224 |
| C. Cash Flow from Financing Activities | | |
| Repayment of Short Term Borrowings | (60,000,000) | 75,000,000 |
| Proceeds from Short Term Borrowings | 16,800,000 | - |
| Repayment of Long Term Borrowings | (6,720,896) | (6,061,608) |
| Net cash (used in) / from Financing Activities (C) | (49,920,896) | 68,938,392 |
| Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C) | 861,893 | (44,481,754) |
| Cash and Cash Equivalents at the beginning of the year | 2,962,302 | 47,444,056 |
| Cash and Cash Equivalents at the end of the year | 3,824,196 | 2,962,302 |

Accompanying notes form an integral part of the Financial Statements

As per our report of even date attached.

For M.Bhaskara Rao & Co.

Chartered Accountants

P. Swathi

Partner

Hyderabad, May 02, 2017

For and on behalf of the Board

Hemant Kaul

Chairman

DIN No : 00551588

Lakshmi Sharma

Company Secretary

M.No: A32617

S M Jalan

Director

DIN No : 00324182

Ramesh Sivaraman

Manager - Chief Executive

| | |
|--------------|--|
| 1 | <p>Corporate information</p> <p>Principles of Consolidation</p> <p>TCI Finance Limited ("the Company") is a public company domiciled in India. Its shares are listed in Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Company is a "Loan company" engaged in the business of Non Banking Financial Institution as defined in section 45I(a) of the Reserve Bank of India Act , 1934.</p> |
| 2 | <p>Significant Accounting Policies</p> |
| 2.1 | <p>Basis of Accounting and Preparation of Financial Statements</p> <p>The consolidated financial statements of the Company and its subsidiary (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") /Companies Act, 1956 ("the 1956 Act"), as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention.</p> |
| 2.2 | <p>Principles of Consolidation</p> <p>The consolidated financial statements have been prepared on the following basis:</p> |
| a) | <p>The financial statements of the Company and its wholly owned subsidiary company (Itag Business Solutions Ltd) has been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group transactions resulting and unrealised profits or losses on intra-group transactions as per Accounting Standard (AS) 21 - "Consolidated Financial Statements" specified under Section 133 of Companies Act, 2013.</p> |
| b) | <p>The financial statements of the subsidiary used in the consolidation are drawn up to the same reporting date as that of the Company, i.e. March 31, 2017.</p> |
| c) | <p>Intra-group balances and intra-group transactions and resulting unrealised profits / loss has been eliminated.</p> |
| d) | <p>The consolidated financial statements are prepared to the extent possible using uniform accounting policies for like transactions and other events in similar circumstances and are presented to extent possible, in the same manner as the Company's separate financial statements.</p> |
| 2.2.1 | <p>Use of Estimates</p> <p>The preparation of the consolidated financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.</p> |
| 2.3 | <p>Cash Flow Statement</p> <p>Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information. Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.</p> |
| 2.4 | <p>Revenue Recognition</p> |
| 2.4.1 | <p>Interest Income</p> <p>Interest income is recognised on accrual basis except in case of non-performing assets. Overdue interest is recognised as income on realisation.</p> |
| 2.4.2 | <p>Consultancy income</p> <p>Consultancy Revenue is recognized on accrual basis.</p> |
| 2.4.3 | <p>Sponsorship and Delegate Fee Income</p> <p>Revenue from sponsorship and delegate fees is recognised on accrual basis.</p> |
| 2.4.4 | <p>Other Income</p> <p>Dividend income is accounted on an accrual basis when the Company's right to receive the dividend is established. Income from Services is recognised on accrual basis.</p> |
| 2.5 | <p>Fixed Assets:</p> |
| 2.5.1 | <p>Tangible Assets: Fixed Assets are carried at cost less accumulated depreciation/amortization and impairment losses, if any. The cost of fixed assets comprises of purchase price, applicable duties and taxes, any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on</p> |

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2017

| | |
|---------------|---|
| | <p>borrowings attributable to acquisition of qualifying fixed assets, upto the date the asset is ready for its intended use. Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realizable value and are disclosed separately.</p> |
| 2.5.2 | Intangible Assets: Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. |
| 2.6 | Depreciation and Amortisation |
| | <p>Depreciable amount of assets is the cost of an asset, or other amount substituted for cost less its estimated residual value.</p> <p>Depreciation on tangible fixed assets has been provided on the straight line method as per the useful lives prescribed in schedule II to the Companies Act, 2013 .</p> <p>Intangible assets are amortised, on the straight line method on the useful lives prescribed in schedule II to the Companies Act, 2013 .</p> |
| 2.7 | Investments |
| | <p>Investments are classified as non current and current investments. Non Current Investments are carried individually at cost less provision for other than temporary diminution, if any, in value of such investments. Current investments are carried individually at lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees, and duties.</p> |
| 2.8 | Employee Benefits |
| | <p>(i) Provident fund is a defined contribution plan and the contributions as required by the statute to Employees Provident Fund Organisation are charged to Statement of Profit and Loss when due.</p> <p>(ii) Gratuity liability is defined benefit obligation and is wholly funded. The Company accounts for liability for future gratuity benefits based on actuarial valuation. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred.</p> <p>(iii) Compensated Absences - The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employee is recognized during the period when the employee renders the service.</p> |
| 2.9 | Reserve Bank of India Prudential Norms |
| | <p>The Company follows the guidelines issued by the Reserve Bank of India, in respect of income recognition, asset classification and valuation of investments. Provision for standard assets is made in terms of the notification DNBS.222/CGM(US)-2011 dated January 17, 2011 issued by Reserve Bank of India.</p> |
| 2.10 | Foreign currency transactions |
| | <p>Foreign currency transactions are recorded at the exchange rates prevailing on the date of such transactions. Monetary assets and liabilities as at the Balance Sheet date, are translated at the rates of exchange prevailing at the date of the Balance Sheet. Gains and losses arising on account of differences in foreign exchange rates on settlement / translation of monetary assets and liabilities are recognized in the Statement of Profit and Loss.</p> |
| 2.11 | Taxes on Income |
| 2.11.1 | Current Tax: Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws. |
| 2.11.2 | Deferred Tax : Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realize the assets. Deferred tax assets are reviewed at each balance sheet date for their realisability. |
| 2.12 | Earnings per share |
| | <p>Basic earnings per equity share is computed by dividing the net profit for the year attributable to the Equity Shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit for the year, adjusted for the effects of dilutive potential equity shares, attributable to the Equity Shareholders by the weighted average number of the equity shares and dilutive potential equity shares outstanding during the year except where the results are anti-dilutive.</p> |
| 2.13 | Provision, Contingent Liabilities and Contingent Assets |
| | <p>The Group recognised provisions when there is present obligation as a result of past event and it is probable that there will be an outflow of resources and reliable estimate can be made of the amount of the obligation. A disclosure for Contingent liabilities is made in the notes on accounts when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Contingent assets are neither recognised nor disclosed in the financial statements.</p> |

3 Share Capital

| | March 31, 2017 | | March 31, 2016 | |
|---|-------------------|--------------------|-------------------|--------------------|
| | No. of shares | ₹ | No. of shares | ₹ |
| Authorised | | | | |
| Equity Shares of ₹ 10/- each | 20,000,000 | 200,000,000 | 20,000,000 | 200,000,000 |
| Issued | | | | |
| Equity Shares of ₹ 10/- each | 16,000,000 | 160,000,000 | 16,000,000 | 160,000,000 |
| Subscribed and Fully Paid Up | | | | |
| Equity Shares of ₹ 10/- each | 12,872,493 | 128,724,930 | 12,872,493 | 128,724,930 |
| Add : Forfeited Shares (Amount Originally paid up) | - | 13,238,120 | - | 13,238,120 |
| Total | 12,872,493 | 141,963,050 | 12,872,493 | 141,963,050 |

(i) **Reconciliation of the shares outstanding at the beginning and at the end of the reporting year**

| | March 31, 2017 | | March 31, 2016 | |
|-------------------------------------|-------------------|--------------------|-------------------|--------------------|
| | No. of shares | ₹ | No. of shares | ₹ |
| Equity Shares of ₹ 10/- each | | | | |
| At the beginning of the year | 12,872,493 | 141,963,050 | 12,872,493 | 141,963,050 |
| Add : Issued during the year | - | - | - | - |
| At the end of the year | 12,872,493 | 141,963,050 | 12,872,493 | 141,963,050 |

(ii) **Rights, Preferences and Restrictions attached to equity shares**

The Company has one class of equity shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held.

In the event of liquidation of the Company, the equity shareholders are eligible to receive remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(iii) **Details of Shareholders Holding more than 5% shares in the Company**

| Name of Shareholder | March 31, 2017 | | March 31, 2016 | |
|--|----------------|---------------|----------------|---------------|
| | No of Shares | %Shareholding | No of Shares | %Shareholding |
| Equity Shares of ₹ 10/- each | | | | |
| Gati Limited | 1,600,300 | 12.43 | 1,600,300 | 12.43 |
| Mahendra Kumar Agarwal | - | - | 1,196,619 | 9.30 |
| Green India Venture Fund | 1,664,314 | 12.93 | 1,127,209 | 8.76 |
| Neera Agarwal | 950,265 | 7.38 | 950,265 | 7.38 |
| Mahendra Investment Advisors Private Limited | - | - | 682,000 | 5.30 |

4 Reserves and Surplus

| | March 31, 2017 | March 31, 2016 |
|---|--------------------|--------------------|
| | ₹ | ₹ |
| (a) Securities Premium Account | | |
| Opening Balance | 163,088 | 163,088 |
| (b) General Reserve | | |
| Opening Balance | 31,128,049 | 31,128,049 |
| (c) Reserve Fund (As per Section 45 IC of Reserve Bank of India Act, 1934) | | |
| Opening Balance | 51,687,585 | 47,724,674 |
| Add : Transferred from surplus in Statement of Profit and Loss | 7,285,017 | 3,962,911 |
| | 58,972,602 | 51,687,585 |
| (d) Surplus in Statement of Profit and Loss | | |
| Opening Balance | 188,582,421 | 173,172,593 |
| Add: Profit After Tax for the year | 36,425,086 | 19,372,739 |
| Less : Amount transferred to Reserve Fund | (7,285,017) | (3,962,911) |
| | 217,722,490 | 188,582,421 |
| Total | 307,986,229 | 271,561,144 |

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2017

5 Long-Term Borrowings - Secured

| | Non-current | | Current | |
|----------------------------------|--------------------|--------------------|------------------|------------------|
| | 31.03.2017 | 31.03.2016 | 31.03.2017 | 31.03.2016 |
| | ₹ | ₹ | ₹ | ₹ |
| Term Loans | | | | |
| From Others (Refer (ii.a) below) | 198,897,566 | 207,710,154 | 9,437,872 | 7,346,180 |
| Total | 198,897,566 | 207,710,154 | 9,437,872 | 7,346,180 |

(i) Current maturities of Long Term Borrowings have been disclosed under the head "Other Current Liabilities" (Refer Note No. 8)

(ii) **Term Loans from Others**

(a) Term loan from Others carries interest at a variable rate based on the lender Retail Prime Lending Rate (RPLR), of 13.90% p.a and is repayable in 180 instalments from date of loan viz., April 28, 2013. Presently, the loan carries rate of interest of 13.65%. The loan is secured by pledge of 650,000 Equity shares of Gati Limited held as investments, personal guarantee of a director, pledge of property and Investments of a director and pledge of third party investments property.

5A Short-Term Borrowings

| | March 31, 2017 | March 31, 2016 |
|-------------------------------------|--------------------|--------------------|
| | ₹ | ₹ |
| Secured: | | |
| From Others (Refer Note 5A.1 below) | 245,000,000 | 247,500,000 |
| From Director | 9,300,000 | - |
| From Others | 77,500,000 | 127,500,000 |
| Total | 331,800,000 | 375,000,000 |

5A.1 The details of the security is as mentioned below:

| Name of the lender | Security - Pledge of Gati Limited Shares |
|--|--|
| SKS Fin Cap Private Limited | 1,796,900 |
| Anand Rathi Global Finance Limited | 2,057,000 |
| Godavari Commercial Services Private Limited | 1,100,000 |

6 Long Term Provisions

| | March 31, 2017 | March 31, 2016 |
|--|------------------|------------------|
| | ₹ | ₹ |
| Provision for Employee Benefits: | | |
| (i) Provision for Compensated Absences | 335,520 | 298,214 |
| (ii) Provision for Gratuity | 158,601 | 141,658 |
| Provision - Others: | | |
| (i) Contingent Provision against Standard Assets | 1,218,000 | 1,216,000 |
| Total | 1,712,121 | 1,655,872 |

7 Trade Payables

| Particulars | March 31, 2017 | March 31, 2016 |
|--|------------------|------------------|
| | ₹ | ₹ |
| Trade Payables other than Acceptances (Refer Note No. 7.1 and 7.2 below) | | |
| (A) Micro, Small, Medium Enterprises (MSMEs) | - | - |
| (B) Other than MSMEs | 4,276,670 | 1,747,530 |
| Total | 4,276,670 | 1,747,530 |

7.1 Includes ₹ 1,08,000/- (March 31, 2016 ₹ 54,000/-) payable to Related Party. (Refer Note No.23.2)

7.2 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

According to the records available with the Company, there are no dues payable to entities that are classified as Micro, Small and Medium Enterprises Development Act, 2006 during the period. Hence disclosures, if any, relating to amounts unpaid as at the period end together with the interest paid / payable as required under the Act have not been given.

| | As At March 31, 2017 | As At March 31, 2016 |
|--|----------------------|----------------------|
| a) Principal amount remaining unpaid | Nil | Nil |
| b) Interest due thereon | Nil | Nil |
| c) Interest paid by the Company in terms of Section 16 of Micro Small and Medium Enterprises Development Act, 2006 along with the amount of payments made to the supplier beyond the appointed day during the year | Nil | Nil |
| d) Interest due and payable for the period of delay in making payment (which have been paid but beyond the day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006. | Nil | Nil |
| e) Interest accrued and remaining unpaid | Nil | Nil |
| f) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises. | Nil | Nil |

8 Other Current Liabilities

| | March 31, 2017 | March 31, 2016 |
|---|-------------------|-------------------|
| | ₹ | ₹ |
| Current maturities of Long Term Borrowings (Refer Note No. 5) | 9,437,872 | 7,346,180 |
| Interest Accrued and Not Due | 10,736,235 | - |
| Interest accrued and due | 2,369,816 | 4,801,201 |
| Other payables | | |
| (i) Statutory Payables | 2,139,736 | 1,392,096 |
| (ii) Security Deposits | 127,457 | 186,666 |
| (iii) Others (Refer Note No. 8.1) | 1,397,440 | 943,295 |
| Total | 26,208,556 | 14,669,438 |

8.1 Includes ₹ 294,652/- (March 31, 2016: ₹ 122,684/-) payable towards Managerial Remuneration (Refer Note No. 23.2)

9 Short Term Provisions

| | March 31, 2017 | March 31, 2016 |
|--|----------------|----------------|
| | ₹ | ₹ |
| Provision for Employee Benefits: | | |
| (i) Provision for Compensated Absences | 9,990 | 7,912 |
| (ii) Provision for Gratuity | 6,906 | 1,026 |
| Total | 16,896 | 8,938 |

TCI Finance Limited
Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2017
10. Fixed Assets

₹

| Sl No | PARTICULARS | GROSS BLOCK (At Cost) | | | DEPRECIATION / AMORTISATION | | | NET BLOCK | | | |
|----------|--------------------------------|-----------------------|----------------|------------------|-----------------------------|------------------|----------------|------------------|------------------|------------------|------------------|
| | | As At 01.04. 2016 | Additions | Deletions | As At 31.03. 2017 | Upto 01.04.2016 | For the year | Deletions | Upto 31.03.2017 | As at 31.03.2017 | As At 31.03.2016 |
| A | TANGIBLE ASSETS | | | | | | | | | | |
| I | Owned Assets | | | | | | | | | | |
| 1 | Land - Freehold | 3,522,514 | - | - | 3,522,514 | - | - | - | - | 3,522,514 | 3,522,514 |
| 2 | Buildings | 3,720,771 | - | 2,118,771 | 1,602,000 | 1,064,860 | 44,641 | 556,084 | 553,417 | 1,048,583 | 2,655,911 |
| 3 | Furniture and Fixtures | 2,422,661 | 143,630 | 1,100,000 | 1,466,291 | 1,898,134 | 191,908 | 1,045,000 | 1,045,042 | 421,249 | 524,527 |
| 4 | Plant and Machinery | 6,802 | - | - | 6,802 | 6,802 | - | - | 6,802 | - | - |
| 5 | Motor Trucks | 1,170,599 | - | - | 1,170,599 | 192,961 | 185,345 | - | 378,306 | 792,293 | 977,638 |
| 6 | Office Equipment and Computers | 2,854,063 | 66,322 | - | 2,920,385 | 2,420,184 | 200,907 | - | 2,621,091 | 299,294 | 433,879 |
| | Total | 13,697,410 | 209,952 | 3,218,771 | 10,688,591 | 5,582,941 | 622,801 | 1,601,084 | 4,604,658 | 6,083,933 | 8,114,469 |
| | Previous Year | 13,812,250 | 205,215 | 320,055 | 13,697,410 | 4,893,832 | 725,689 | 36,580 | 5,582,941 | 8,114,469 | 8,918,418 |
| B | INTANGIBLE ASSETS | | | | | | | | | | |
| 1 | Computer Software | 33,038 | - | - | 33,038 | 31,394 | - | - | 31,394 | 1,644 | 1,644 |
| | Total Intangible Assets | 33,038 | - | - | 33,038 | 31,394 | - | - | 31,394 | 1,644 | 1,644 |
| | Previous Year | 33,038 | - | - | 33,038 | 31,394 | - | - | 31,394 | 1,644 | 1,644 |

C Depreciation / Amortisation charged to Statement of Profit and Loss

| | 2016-17 | 2015-16 |
|-------------------|----------------|----------------|
| | ₹ | ₹ |
| Tangible Assets | 622,801 | 725,689 |
| Intangible Assets | - | - |
| Total | 622,801 | 725,689 |

11 Non-Current Investments
NON TRADE INVESTMENTS (AT COST)

₹

| NAME OF THE COMPANY | March 31, 2017 | | | March 31, 2016 | | |
|--|----------------|------------|--------------------|----------------|------------|--------------------|
| | No. of shares | Face value | Amount | No. of shares | Face value | Amount |
| A EQUITY SHARES (QUOTED) | | | | | | |
| Gati Limited (Refer Note No. 11.1 , 11.2 and 11.3) | 8,103,205 | 2 | 90,456,661 | 8,130,205 | 2 | 90,456,661 |
| TCL Industries Limited | 30,236 | 10 | 2,128,390 | 30,236 | 10 | 2,128,390 |
| Karnataka Bank Limited | 7,860 | 10 | 623,100 | 4,860 | 10 | 413,100 |
| ATI Limited | 10,000 | 10 | 200,000 | 10,000 | 10 | 200,000 |
| Less: Provision for decline, other than temporary, in the value of long term investments | | | (86,206) | | | (86,206) |
| Net | | | 113,794 | | | 113,794 |
| Lloyds Finance Limited | 4,200 | 10 | 2,310 | 4,200 | 10 | 2,310 |
| Tech Mahindra Limited | 400 | 5 | 173,612 | 400 | 5 | 173,612 |
| Total | | | 93,497,867 | | | 93,287,867 |
| B EQUITY SHARES (UNQUOTED) | | | | | | |
| Gati Intellect Systems Limited | 1,000 | 100 | 100,000 | 1,000 | 100 | 100,000 |
| Coast-To-Coast Shipping Limited | 9,500 | 10 | 95,000 | 9,500 | 10 | 95,000 |
| TCL Hi-Ways Private Limited | 27,451 | 10 | 274,510 | 27,451 | 10 | 274,510 |
| Giri Roadlines and Commercial Trading Private Limited | 42,000 | 100 | 157,527 | 42,000 | 100 | 157,527 |
| Amrit Jal Ventures Private Limited (Refer Note No. 11.4) | 15,014,100 | 10 | 150,000,000 | 15,014,100 | 10 | 150,000,000 |
| Bangalore Stock Exchange Limited | 30,000 | 1 | 30,000 | 30,000 | 1 | 30,000 |
| ITAG Infrastructure Limited | 5,000 | 10 | 50,000 | 5,000 | 10 | 50,000 |
| Total | | | 150,707,037 | | | 150,707,037 |
| C PREFERENCE SHARES (UNQUOTED) | | | | | | |
| Capital Fortunes Limited | 350,000 | 10 | 3,500,000 | 350,000 | 10 | 3,500,000 |
| 8% Non Cumulative 15 Year Redeemable | | | | | | |
| Total | | | 3,500,000 | | | 3,500,000 |
| D DEBENTURES (OPTIONALLY CONVERTIBLE) (UNQUOTED) | | | | | | |
| 14.50% - Amrit Jal Ventures Private Limited (Refer Note No. 11.4) | 2,349,281 | 100 | 234,928,100 | 2,349,281 | 100 | 234,928,100 |
| Total | | | 234,928,100 | | | 234,928,100 |
| Grand Total | | | 482,633,004 | | | 482,423,004 |
| Book Value of Quoted Investments | | | 93,497,867 | | | 93,287,867 |
| Market Value of Quoted Investments (Refer Note No. 11.5) | | | 921,753,316 | | | 921,445,366 |

11.1. 4,603,900 (Previous year: 5,615,246) Equity Shares pledged with lenders as security for Long and Short Term Borrowings (Refer Note No.5 (ii) and 5A.1), 805,000 (Previous year: 805,000) (Shares pledged with IFCL Venture Capital Limited towards loan availed by M/s Amrit Jal Ventures Private Limited and Nil (Previous year : 1,580,000) shares pledged with IDFC Bank Limited for loan availed by Gati Infrastructure Private Limited.)

11.2. During the previous year, the Company took a loan of Rs.5 Crores from Godavari Commercial Services Private Limited (Godavari) on the security of 10 Lakh equity shares of Gati Limited and at the request of Godavari the said shares were pledged with a third party. The said shares were invoked by the third party on default by Godavari without there being any default by the Company. The Company took necessary legal recourse for restoration of the pledged shares and in terms of the settlement arrived at, Godavari agreed to restore the said invoked shares. In view of the above, the said 10 Lakh equity shares in Gati Limited have been continued to be disclosed as long term investments.

11.3. During the previous year, the Company has pledged 15.80 Lakh shares of Gati Limited in favour of IDFC Bank Limited (IDFC) for facilities availed by M/s Gati Infrastructure Private Limited (GIPL) on receipt of Letter of Comfort from M/s Amrit Jal Ventures Private Limited (AJVPL) being the holding company of GIPL. The said shares were invoked by IDFC due to default made by GIPL. As per the Letter of Comfort from AJVPL, it would restore such invoked shares to the Company. The company has taken necessary legal recourse for the restoration of the invoked shares. In view of the above, the invoked 15.80 Lakh equity shares in Gati Limited have been continued to be disclosed as long term investments.

11.4. Amrit Jal Ventures Private Limited (AJVPL), through its SPV's is executing three power projects aggregating to 243 MW in Sikkim which are under various stages of construction and completion. Considering the stage of the projects and also the development towards entering into Power Purchase Agreement for 110MW Chuzhachen Project with State Discoms which is at the final stage, any diminution in the value of investment in AJVPL is temporary and no provision is considered necessary by the management.

11.5 Book value has been taken in the absence of Stock Exchange quotations

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2017

12 Long Term Loans and Advances - Unsecured, considered good

| | March 31, 2017 | March 31, 2016 |
|---|------------------|-------------------|
| | ₹ | ₹ |
| Advance Tax (Net of Provision ₹ 26,846,890/-) (As at March 31, 2016 ₹ 19,782,890/-) | 8,836,623 | 12,235,076 |
| Total | 8,836,623 | 12,235,076 |

13 Trade Receivables - Unsecured

| | March 31, 2017 | March 31, 2016 |
|-----------------------------------|------------------|------------------|
| | ₹ | ₹ |
| Debts outstanding over six months | 3,698,030 | 2,747,493 |
| Others | 142,664 | 142,664 |
| Total | 3,840,694 | 2,890,157 |

14 Cash and Cash Equivalents

| | March 31, 2017 | March 31, 2016 |
|---------------------|------------------|------------------|
| | ₹ | ₹ |
| Balances with banks | | |
| In current accounts | 2,240,829 | 1,289,138 |
| In deposit accounts | 1,500,000 | 1,600,000 |
| Cash on hand | 83,367 | 73,164 |
| Total | 3,824,196 | 2,962,302 |

15 Short Term Loans and Advances - Unsecured, considered good

| | March 31, 2017 | March 31, 2016 |
|--|--------------------|--------------------|
| | ₹ | ₹ |
| Inter Corporate Loans | 451,591,028 | 473,750,000 |
| Other Advances recoverable in cash or kind | 1,376,025 | 595,705 |
| Total | 452,967,053 | 474,345,705 |

16 Other Current Assets

| | March 31, 2017 | March 31, 2016 |
|--|-------------------|-------------------|
| | ₹ | ₹ |
| Interest accrued on debentures | 17,470,725 | 17,554,721 |
| Interest accrued on Short Term Loan and Advances | 35,217,469 | 12,495,196 |
| Interest accrued on Deposits | 33,565 | 44,283 |
| Others | | |
| (i) Other Receivables | 1,152,621 | 923,220 |
| (ii) Other Advances recoverable in cash or kind-Unsecured (Refer Note No. 16.1) | 3,302,693 | 3,302,693 |
| Less: Provision for doubtful loans and advances | (3,302,693) | (3,302,693) |
| Total | 53,874,380 | 31,017,420 |

16.1 Represents amount misappropriated by employee during the year 2010-11 and 2011-12 by way of embezzlement of cash and fraudulent encashment of the Company's cheques. The Company filed a First Information Report (FIR) on October 13, 2011 against the employee with the designated police authority and has initiated legal proceedings.

17 Revenue from Operations

| | 2016-17 | 2015-16 |
|--|--------------------|--------------------|
| | ₹ | ₹ |
| Interest Income (Refer Note No.17.1) | 111,629,160 | 99,405,901 |
| Consultancy Fees | 1,109,459 | 592,002 |
| Other Operating Revenue (Refer Note No.17.2) | 23,899,608 | 26,438,813 |
| Total | 136,638,226 | 126,436,716 |

17.1 Interest Income

| | 2016-17 | 2015-16 |
|--------------------------------|--------------------|-------------------|
| | ₹ | ₹ |
| Interest on Loans and Advances | | |
| (i) Banks | 76,535 | 3,912 |
| (ii) Loans and Advances | 77,488,039 | 65,337,403 |
| (iii) Investments | 34,064,586 | 34,064,586 |
| Total | 111,629,160 | 99,405,901 |

17.2 Other Operating Revenue

| | 2016-17 | 2015-16 |
|--|-------------------|-------------------|
| | ₹ | ₹ |
| Upfront Fee / Guarantee Commission | 2,156,727 | 1,567,990 |
| Profit on sale of Long Term Investments | - | 4,662,916 |
| Dividend income from Long Term Investments | 8,528,010 | 6,913,541 |
| Sponsorship and Delegate Fees | 13,214,871 | 13,294,366 |
| Total | 23,899,608 | 26,438,813 |

18 Other Income

| | 2016-17 | 2015-16 |
|---|-------------------|------------------|
| | ₹ | ₹ |
| Rental Income | 264,000 | 264,000 |
| Other Non-Operating Income (Refer Note No.18.1) | 18,482,039 | 2,201,144 |
| Gain on Foreign Currency Transaction | 5,402 | - |
| Total | 18,751,441 | 2,465,144 |

18.1 Other Non-Operating Income

| | 2016-17 | 2015-16 |
|---|-------------------|------------------|
| | ₹ | ₹ |
| Profit on sale of Fixed Assets | 9,382,313 | 1,816,525 |
| Liabilities no longer required written back | 94,254 | 204,284 |
| Miscellaneous income | 7,618,421 | - |
| Interest Income | - | 180,335 |
| Interest on IT refund | 1,387,051 | - |
| Total | 18,482,039 | 2,201,144 |

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2017

19 Employee Benefit Expense

| | 2016-17 | 2015-16 |
|--|-------------------|-------------------|
| | ₹ | ₹ |
| Salaries and wages | 10,048,766 | 9,894,381 |
| Contributions to provident and other funds | 327,979 | 303,282 |
| Staff welfare expenses | 70,575 | 25,578 |
| Total | 10,447,320 | 10,223,241 |

20 Finance Costs

| | 2016-17 | 2015-16 |
|---|-------------------|-------------------|
| | ₹ | ₹ |
| Interest expense on: | | |
| (i) Term Loans | 83,866,298 | 77,669,116 |
| (ii) Interest on delayed payment of TDS | - | 8,033 |
| Other borrowing cost | 1,690,771 | 2,723,018 |
| Total | 85,557,069 | 80,400,167 |

21 Other Expenses

| | 2016-17 | 2015-16 |
|---|-------------------|-------------------|
| | ₹ | ₹ |
| Rent | 1,156,681 | 955,200 |
| Rates and taxes | 66,771 | 76,451 |
| Service tax and Cess paid | 17,055 | 180,146 |
| Office maintenance | 337,224 | 460,391 |
| Legal and Professional | 2,802,470 | 2,185,440 |
| Travelling and Conveyance | 1,110,466 | 1,608,835 |
| Telephone and Communication Expenses | 376,374 | 350,763 |
| Electricity | 255,611 | 251,968 |
| Printing and Stationery | 292,438 | 292,010 |
| Postage and Telegrams | 161,617 | 136,320 |
| Software Expenses | 57,636 | 19,669 |
| Conferences and Seminars | 6,297,408 | 6,461,395 |
| Subscription and Membership | 153,040 | 157,720 |
| Listing Fee | 595,400 | 482,803 |
| Demat charges | 16,100 | - |
| Auditors' Remuneration (Refer Note No.21.1) | 272,250 | 276,493 |
| Bad debts Written off | 297,160 | 334,358 |
| CSR Expenses | 800,000 | - |
| Loss on Foreign Currency Transaction | - | 1,959 |
| Miscellaneous expenses | 604,873 | 595,311 |
| Total | 15,670,574 | 14,827,233 |

21.1 Auditors' Remuneration

| | 2016-17 | 2015-16 |
|-----------------|----------------|----------------|
| | ₹ | ₹ |
| Fee towards | | |
| Statutory Audit | 150,000 | 150,000 |
| Limited Review | 90,000 | 90,000 |
| Certification | - | 5,000 |
| Service Tax | 32,250 | 31,493 |
| Total | 272,250 | 276,493 |

22 Additional information to the Financial Statements

| | | March 31, 2017 | March 31, 2016 |
|-------------|---|-----------------------|-----------------------|
| | | ₹ | ₹ |
| 22.1 | Contingent liabilities and commitments (to the extent not provided for) | | |
| | Contingent Liabilities | | |
| | (a) Disputed sale tax demand | 63,661 | 63,661 |
| | (b) Corporate Guarantees | 2,867,729,656 | 2,557,166,935 |
| | The Company has provided Guarantee for A. redemption / buyback of the Optionally convertible Debentures subscribed by IFCI Venture Capital Funds Limited in Amrit Jal Ventures Private Limited, B. To the lenders of Gati Infrastructure Bhasmey Power Private Limited and C. Pledge of Gati Ltd shares held by the Company to IFCI Venture Capital Funds Limited for loan availed by Amrit Jal Ventures Private Limited. | | |

22.2 Inter-Company loans/deposits given by the Company are on the basis that one of the main objects of the Company is to lend and is catogerised as Loan Company. Accordingly, the Company has been advised that Section 186 of the Companies Act, 2013 is not applicable to the Company.

22.3 The Provision for standard assets and Non Performing Assets during the year is as given below:

| Particulars | March 31, 2017 | March 31, 2016 |
|-------------------------------|-----------------------|-----------------------|
| | ₹ | ₹ |
| Provision for Standard Assets | 2,000 | 321,000 |
| Total | 2,000 | 321,000 |

23 Disclosures under Accounting Standards

23.1 Segment Reporting:

The Parent Company has identified two primary business segments namely, Non Banking Financial Services and Knowledge Process Outsourcing - Intellectual Property Services which in the context of Accounting Standard-17 "Segment Reporting" constitute reportable segments.

| Particulars | March 31, 2017 | March 31, 2016 |
|-----------------------------------|-----------------------|-----------------------|
| | ₹ | ₹ |
| 1. Segment Revenue | | |
| a. Non Banking Financial Services | 140,954,164 | 114,630,873 |
| b. Knowledge Process Outsourcing | 14,435,503 | 14,270,987 |
| Total | 155,389,667 | 128,901,860 |
| 2. Segment Results | | |
| Profits Before Tax and Interest | | |
| a. Non Banking Financial Services | 128,232,910 | 103,273,199 |
| b. Knowledge Process Outsourcing | 414,063 | (468,503) |
| Total | 128,646,973 | 102,804,696 |
| Less Interest | 85,557,069 | 80,400,167 |
| Total Profit Before Tax | 43,089,904 | 22,404,530 |
| 3. Other Information | | |
| Segment Assets | | |
| a. Non Banking Financial Services | 1,005,068,564 | 1,007,610,681 |
| b. Knowldege Process Outsourcing | 7,792,525 | 6,705,445 |
| Total Assets | 1,012,861,089 | 1,014,316,126 |
| Segment Liabilities | | |
| a. Non Banking Financial Services | 560,704,037 | 599,286,600 |
| b. Knowledge Process Outsourcing | 2,207,772 | 1,505,332 |
| Total Liabilities | 562,911,809 | 600,791,932 |

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2017

23 Disclosures under Accounting Standards (contd.)

23.2 Related party transactions (Disclosures as required by AS 18 - Related Party Disclosures)

a. Details of related parties:

| Description of relationship | Names of related parties |
|---|---|
| Key Managerial Personnel (KMP) Manager Director of Subsidiary | Mr. Ramesh Sivaraman Dr. D R Agarwal |
| Partnership firm over which KMP is able to exercise significant influence | Agarwal Maheswari & Co |
| Enterprises over which the Director of Subsidiary is able to exercise significant influence | Kumpepar Construction Private Limited Institute of International Trade |

Note: Related parties have been identified by the Management.

b. Details of related party transactions during the year ended March 31, 2017 and balances outstanding as at March 31, 2017 : ₹

| Particulars | Enterprise over which Director of Subsidiary is able to exercise significant influence | KMP | Total |
|--|--|--------------------------|--------------------------|
| Transactions during the year | | | |
| Managerial remuneration* Manager | - (-) | 3,366,164 (3,740,576) | 3,366,164 (3,740,576) |
| Advance Recovered | - (-) | - (625,000) | - (625,000) |
| Consultancy Fee | 1,200,000 (1,200,000) | - (-) | 1,200,000 (1,200,000) |
| Rent Paid | - (-) | 900,000 (720,000) | 900,000 (720,000) |
| Conference Management Fee | 1,221,091 (1,329,313) | - (-) | 1,221,091 (1,329,313) |
| Balance Outstanding at the end of the year Payables | - (-) | 108,000 (54,000) | 108,000 (54,000) |
| Managerial Remuneration Payable | - (-) | 294,652 (122,684) | 294,652 (122,684) |

Note: Figures in bracket relates to the previous year

* The above does not include provision made for Gratuity and Leave Encashment as the same is provided on an overall basis.

23 Disclosures under Accounting Standards (contd.)

| | | 2016-17 | 2015-16 |
|-------------|--|------------|------------|
| | | ₹ | ₹ |
| 23.3 | Earnings Per Share | | |
| | Basic and Diluted | | |
| | Net Profit for the year attributable to the equity shareholders(₹) | 36,425,086 | 19,372,739 |
| | Weighted average number of equity shares | 12,872,493 | 12,872,493 |
| | Par value per share (₹) | 10 | 10 |
| | Earnings Per Share - Basic and Diluted (₹) | 2.83 | 1.50 |

| | | 2016-17 | 2015-16 |
|-------------|--|----------------|----------------|
| | | ₹ | ₹ |
| 23.4 | Deferred tax (Liability) / Asset | | |
| | Tax effect of items constituting deferred tax liability : | | |
| | On difference between book balance and tax balance of fixed assets | - | 137,961 |
| | | - | 137,961 |
| | Tax effect of items constituting deferred tax assets : | | |
| | On difference between book balance and tax balance of fixed assets | 372,058 | 44,477 |
| | Provision for employee benefits - Gratuity | 51,142 | 44,089 |
| | Provision for Standard assets | 376,362 | 375,744 |
| | | 799,562 | 464,310 |
| | Net Deferred Tax - Asset | 799,562 | 326,349 |

24 Disclosures under Accounting Standards (contd.)

24 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

| Name of the Entity | Net Assets i.e. total assets minus total liabilities | | Share in profit or loss | |
|---|--|-------------|-------------------------------------|------------|
| | As % of consolidated net assets | Amount (₹) | As % of Consolidated profit or loss | Amount (₹) |
| Parent: TCI Finance Limited | 98.76 | 444,364,527 | 98.94 | 36,040,447 |
| Subsidiary: ITAG Business Solutions Limited | 1.24 | 5,584,753 | 1.06 | 384,640 |

25 Details of Specified Bank Notes (SBN) held and transacted during the period November 08, 2016 to December 30, 2016

₹

| TCI Finance Limited | SBN's | Other denomination Notes | Total |
|---|--------|--------------------------|--------------|
| Closing cash in hand as on November 08, 2016 | 10,000 | 397 | 10,397 |
| (+) Permitted receipts | | 10,000 | 10,000 |
| (-) Permitted payments | | 2,143 | 2,143 |
| (-) Amount deposited in Banks | 10,000 | | 10,000 |
| Closing cash in hand as on December 30, 2016 | | | 8,254 |

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2017

₹

| Itag Business Solution Limited | SBN's | Other denomination Notes | Total |
|---|--------------|-------------------------------------|----------------|
| Closing cash in hand as on November 08, 2016 | | 4,046 | 4,046 |
| (+) Permitted receipts | | 136,000 | 136,000 |
| (-) Permitted payments | | 37,399 | 37,399 |
| (-) Amount deposited in Banks | | - | - |
| Closing cash in hand as on December 30, 2016 | | | 102,647 |

26 Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current year classification / disclosure.

Signatures to Notes "1 to 26"

For and on behalf of the Board

Hemant Kaul
Chairman
DIN No : 00551588

S M Jalan
Director
DIN No : 00324182

Lakshmi Sharma
Company Secretary
M.No: A32617

Ramesh Sivaraman
Manager - Chief Executive

Hyderabad, May 02, 2017

Form AOC-I

**(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies
(Accounts) Rules, 2014)**

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹)

| No. | Particulars | ₹ |
|------------|--|---------------------------------|
| 1 | Sl. No. | 1 |
| 2 | Name of the subsidiary | ITAG Business Solutions Limited |
| 3 | The date since when subsidiary was acquired | 05-04-07 |
| 4 | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | Same as Holding Company |
| 5 | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries. | NA |
| 6 | Capital - | |
| | a) Authorised Capital | 20,000,000 |
| | b) Paid-up Capital | 12,500,000 |
| 7 | Reserves | (6,915,247) |
| 8 | Total Assets | 7,792,525 |
| 9 | Total Liabilities | 7,792,525 |
| 10 | Detail Of Investment(Except In case of Investment in the Subsidiaries) | Nil |
| 11 | Turnover | 14,324,330 |
| 12 | Profit Before Taxation | 414,063 |
| 13 | Provision for Taxation (Including Deffered Tax and Tax relating to earlier years) | 29,423 |
| 14 | Profit After Taxation | 384,640 |
| 15 | Prorposed Dividend | Nil |
| 16 | Extent of shareholding (in percentage) | 100% |

TCI FINANCE LIMITED

CIN: L65910TG1973PLC031293

Registered office: Plot no. 20, Survey no.12, 4th Floor, Kothaguda, Kondapur, Hyderabad – 500 084.

Email: investors_tcif@gati.com, Website: www.tcifl.in, Tel:040 71204284, Fax:040 23112318

PROXY FORM

| | | |
|-------------------------|----------------------------|--|
| Name of the member (s): | E-mail Id: | |
| Registered address | Folio No/Client id /DP Id: | |

I/We, being the member(s) of _____ shares of TCI Finance Limited, hereby appoint:

1) _____ of _____ having e-mail id _____ or failing him

2) _____ of _____ having e-mail id _____ or failing him

3) _____ of _____ having e-mail id _____

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 43rd Annual General Meeting of the Company, to be held on Monday, August 14, 2017 at 11.00 am at Plot no.20, Survey no.12, Near Rainbow Children Hospital, Kothaguda, Kondapur, Hyderabad-500084 and at any adjournment thereof in respect of such resolutions as are indicated below:

I wish my above proxy to vote in the manner as indicated in the box below:

| | Resolutions | For | Against |
|---------------------------|--|-----|---------|
| Ordinary business: | | | |
| 1. | Consider and adopt the audited financial statements (including audited consolidated financial statements) for the financial year ended March 31, 2017 and the Reports of the Directors and Auditors thereon. | | |
| 2. | Re-appointment of Ms. Meera Madhusudan Singh (DIN: 00415866) who retire by rotation | | |
| 3. | Ratification of re-appointment of Statutory Auditor | | |
| Special Business: | | | |
| 4. | Re-appointment of Mr. Ramesh Sivaraman as Manager- Chief Executive | | |
| 5. | Approval of Borrowing Limits of Rs. 250 Crores | | |
| 6. | Approval of creation of mortgage or charge all or any part of immovable properties of the Company | | |

Affix
Revenue
Stamp

Signed this _____ day of _____ 2017

Signature of shareholder

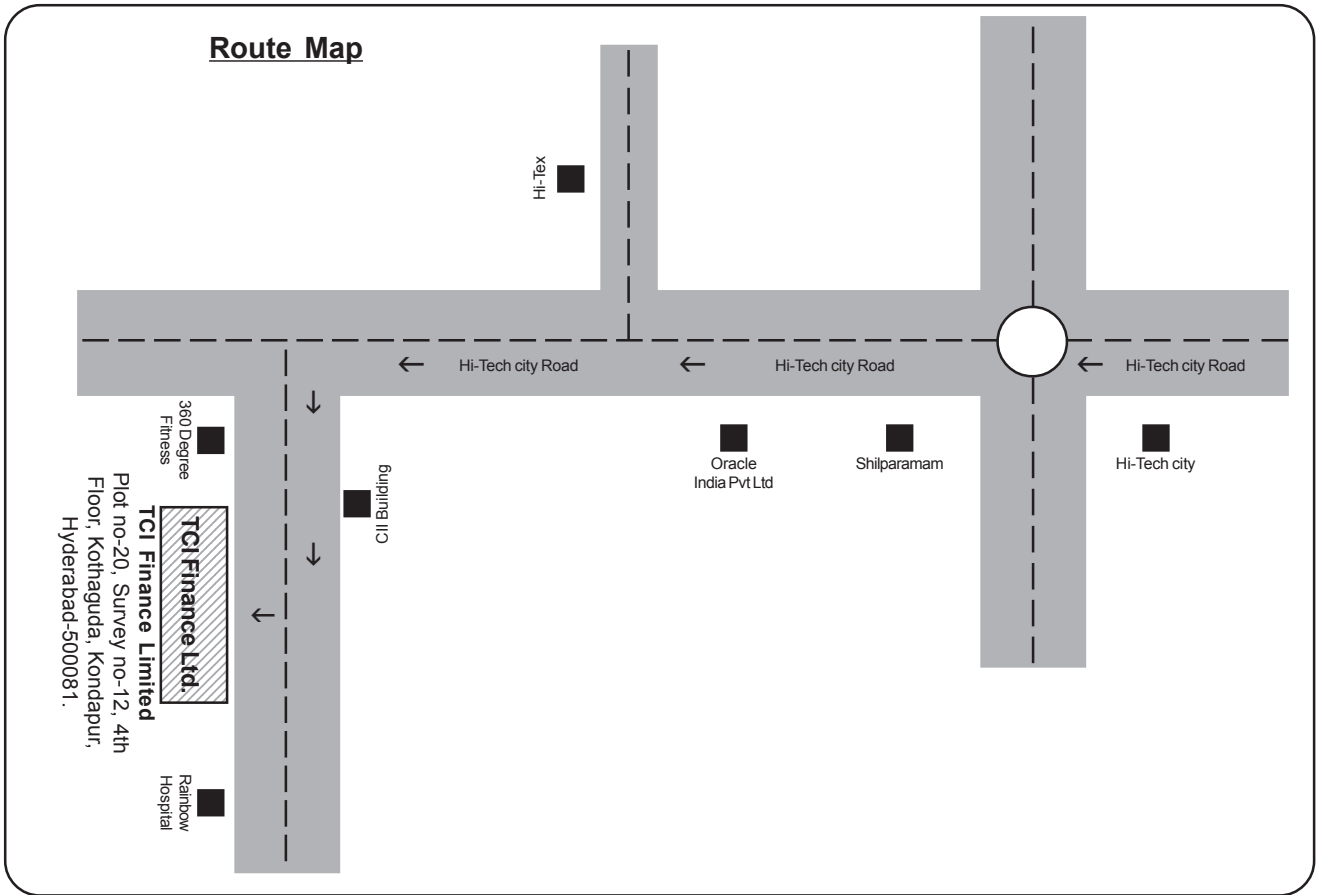
Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

Notes:

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company not less than 48 hours before the commencement of the meeting.
- (2) A Proxy need not to be a member of the Company.



If Undelivered, please return to :

M/s Karvy Computershare Private Limited

(Unit: TCI Finance Limited)

Karvy Computershare Private Limited

Karvy Selenium Tower B, Plot 31-32, Gachibowli

Financial District, Nanakramguda,

Hyderabad – 500 032

Tel: +91 040 67162222

E-mail: mohsin.mohd@karvy.com